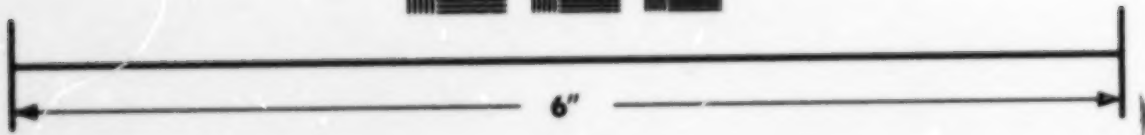
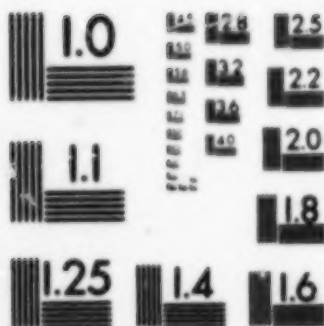


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# ***Daily Report***

## **East Asia**

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FBIS-EAS-96-109  
Wednesday  
5 June 1996

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# Daily Report

## East Asia

FBIS-EAS-96-109

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**Australia, New Zealand Ask Conditions on  
Burma's ARF Status**

BK0506035696 Bangkok THE NATION in English  
5 Jun 96 p A3

[Unattributed report]

[FBIS Transcribed Text] Australia and New Zealand have urged Asean countries to set "certain conditions" on Burma before officially allowing it to attend the Asean Regional Forum (ARF) scheduled for next month, Foreign Permanent Secretary Thep Thewakun said yesterday.

Both countries conveyed the message when they met Thailand in separate joint commission meetings in Canberra and Wellington last month.

"Our Australian and New Zealand counterparts informed us that Asean should lay down certain conditions on Burma before it is officially accepted to the ARF meeting in Jakarta. The conditions are sought so Burma adopts a more lenient attitude towards democratic groups within the country," Thep said.

Both Australia and New Zealand are ARF members and at a meeting in Yogyakarta early last month, neither country raised any conditions over Burma attending the forum.

He did not say whether Thailand would heed the suggestions, but so far there has been no unified Asean position on the current Burmese situation. Foreign Minister Amnuai Wirawan stressed yesterday that Thailand would not interfere in other countries' internal affairs as it would not appreciate any such outside interference in its own affairs. Amnuai added that when Asean foreign ministers meet next month, they will certainly do everything to protect and ensure regional and international interests. He said the ministers had not had an opportunity to meet. The Foreign Ministry will continue to work in line with the government's platform and will encourage officials to be more reactive, he said.

Burma's military-controlled government has been criticised for not handing over administrative power to the

National League for Democracy (NLD), after it won a landslide victory in the 1990 elections. The Burmese junta arrested over 200 NLD supporters, most of whom were the party's elected MPs, in an attempt to discourage them from attending last week's NLD congress, resulting in strong international protest, particular from the United States. The junta later released about half of those held. Except for Thailand and the Philippines, other Asean members — Brunei, Indonesia, Malaysia, Singapore and Vietnam — were reserved about commenting on the current Burmese situation.

In keeping with last month's decision arrived at by senior Asean officials in consultation with Western and non-Asean states in the ARF, Burma will be admitted as an observer in Asean this July, which would qualify it for ARF membership. The forum was established in 1994 to promote regional security and stability.

It is unclear whether this decision can be reversed since it preceded the Burmese junta's crackdown. Thep said the seven Asean foreign ministers would have the final say on Burma's ARF membership.

Thep yesterday lashed out at Western pressure on Asean to adopt a harder stance towards Burma. He said the West should pressurise Burma on its own rather than depend on Asean.

Instead of pressing Asean through the mass media over Burma, Western countries should get tough and hold back some financial assistance, he said.

"With these measures, the West could encourage Burma's military junta to talk to Aung San Suu Kyi and other democracy groups. This could possibly yield better results," he said.

Thep said Asean prides itself on not allowing other countries to pressurise the grouping, and it has been known for a while that Asean wants all 10 Southeast Asian countries to be integrated. However, he said compared with Cambodia and Laos, which are now enjoying observer status, Burma seems to be less committed to Asean.



**Japan****Japan: Hashimoto Apologizes for Accidental Downing of U.S. Jet***OW0506033496 Tokyo KYODO in English  
0245 GMT 5 Jun 96*

[FBIS Transcribed Text] Tokyo, June 5 KYODO — The Defense Agency and the Maritime Self-Defense Force (MSDF) opened an investigation Wednesday [5 June] into the accidental shooting downing [as received] of a U.S. Navy jet by an MSDF destroyer in naval drills off Hawaii.

Two U.S. Navy crewmen ejected safely when their A-6E intruder, towing a target for ship-to-air gunnery practice, was hit by fire from the MSDF destroyer Yugiri during the exercise Tuesday.

The 20-millimeter U.S.-made gatling gun, capable of firing bursts of 3,000 rounds per minute, can be operated automatically or manually, according to MSDF officials. The Yugiri is equipped with two such guns.

Military experts said human error may be to blame for the accident, citing the possibility of the gun being set in automatic mode by mistake.

If the gun is set in manual mode, the weapon does not fire unless the firing button is pressed, but it automatically opens fire at an incoming target regardless of its identity if the gun is in the automatic mode, they said.

The exercise was part of a six-nation military drill called Rimpac. The participating nations — Australia, Canada, Chile, Japan, South Korea and the United States — agreed to continue the exercise as scheduled.

The 3,500-ton Yugiri, which carries a crew of about 200, is scheduled to arrive at Hawaii on June 19 after completing the drill without using the gun in question.

In Washington, Defense Department Spokesman Michael Doubleday said Tuesday the incident was a very regrettable accident in a military drill, but dismissed any possibility of the accident affecting bilateral defense cooperation.

Speaking at a press conference, Doubleday said a top Japanese Self-Defense Forces official and a top U.S. Navy commander will have contact by telephone Tuesday afternoon about the accident.

Doubleday said it is useless to speculate about the cause of the accident at this point.

Japanese Ambassador to the U.S. Kunihiko Saito met U.S. Undersecretary of Defense Walter Slocumbe in Washington to hand over a message from Japan's

Defense Agency Chief Hideo Usui expressing regret over the accidental downing of the U.S. Navy plane, a Japanese diplomat said.

In the message, Usui pledged to make all-out efforts to find out the cause of the accident, the diplomat said.

Slocumbe agreed with Usui on the need for a thorough investigation, the diplomat said.

Slocumbe accepted the message on behalf of defense secretary William Perry, who is on a European tour.

President Bill Clinton has accepted an apology from the Japanese government over the incident, White House Spokesman Mike McCurry said.

In Tokyo, Prime Minister Ryutaro Hashimoto expressed regret in the Diet on Wednesday over the accident.

"It is extremely regrettable that the incident took place in exercises. I'm very sorry, though crew members were rescued by the MSDF and fortunately were only slightly injured," Hashimoto told the plenary session of the House of Councillors.

"We will thoroughly investigate (to determine) the cause and take all possible measures to prevent a recurrence," he said.

**Japan: Hashimoto Says No Trade Issues Pending for U.S. Summit***OW0506095896 Tokyo KYODO in English  
0952 GMT 5 Jun 96*

[FBIS Transcribed Text] Tokyo, June 5 KYODO — Prime Minister Ryutaro Hashimoto told the Diet on Wednesday [5 June] he does not foresee pending trade issues being broached at his meeting with U.S. President Bill Clinton later this month.

Hashimoto will meet Clinton during the June 27-29 summit in Lyons of the Group of Seven industrialized nations — Britain, Canada, France, Italy, Germany, Japan and the United States.

The insurance dispute and other trade issues will not come up for discussion during his meeting with Clinton, Hashimoto told an ad hoc committee on financial problems in the House of Representatives.

Officials concerned would likely consider that it is inadvisable to bring up the deadlocked insurance problem at the summit, he said.



**Japan: Talks With U.S. on Passenger Air Travel To Resume**

OW0406134596 Tokyo KYODO in English  
1254 GMT 4 Jun 96

[FBIS Transcribed Text] Tokyo, June 4 KYODO — Japan and the United States agreed on Tuesday [4 June] to resume formal talks on the passenger sector of the bilateral aviation accord after a three-year hiatus, Japanese Transport Ministry officials said Tuesday.

The agreement was reached on the second day of a two-day informal meeting on passenger aviation in Tokyo, the officials said.

The initial session of the resumed talks will take place in Washington June 27-28, they said. However, rough going is expected due to the large discrepancy in views between the two sides, industry analysts say.

The talks will revolve around a Japanese proposal to revise the accord's annex stipulating the rights of both nations' carriers to increase flights, the officials said.

Under the terms of the annex, U.S. carriers are currently operating twice the number of transPacific flights operated by Japanese carriers.

At the upcoming Washington parley, Japanese negotiators will demand that "the disparity between the rights of Japanese and U.S. carriers be remedied," a ministry official said.

The negotiators will also request that Washington cooperate in eradicating the disparity between the rights of a group of carriers of both nations with vested interests dating back to the 1950s and another camp of carriers which entered the market relatively recently or are seeking to enter, the official said.

In response, the United States may urge Tokyo to approve pending applications by United Airlines (UA) and Northwest Airlines to fly on to Jakarta after putting down at Japanese airports, in accordance with the "beyond rights" mandated by the 1952 pact, the officials said.

In such an eventuality, the Japanese side will demand that Washington approve a Japan Airlines (JAL) request to increase the number of its flights from Tokyo to Sao Paulo of Brazil via Los Angeles, they said.

At the center of the fray has been a gulf in interpretations of the wording governing the "beyond rights" stipulated by the 1952 pact.

The United States says the pact does not place any restrictions on beyond rights, whereas the Japanese side says there are limits.

U.S. negotiators have argued that unless the two sides iron out their differences over the definition of beyond rights as well as specific U.S. demands, Washington will not discuss the Japanese proposal to expand the rights of Japanese carriers, they said.

During the latest parley in Tokyo, the two sides also agreed to extend until July 8 a temporary agreement allowing airlines of both countries to increase some transPacific flights to avert business losses in the high season of air travel. The deal was struck in Washington on April 30.

Under the deal, Washington allowed JAL to increase weekly flights between Sendai and Honolulu to seven from three between May 2 and June 5, while Tokyo allowed UA to increase weekly flight frequency between Tokyo and Los Angeles to 14 from seven during the same period.

Japan has been demanding that Washington agree to a resumption of formal talks on the passenger sector since former Transport Minister Shizuka Kamei raised the issue last summer in a meeting with U.S. Transportation Secretary Federico Pena.

**Japan: Government 'Perplexed' With U.S. Demand for BMD Cooperation**

OW0406153096 Tokyo YOMIURI SHUNBUN  
in Japanese 4 Jun 96 Morning Edition p 2

[FBIS Translated Text] The Japanese Government is perplexed with a U.S. demand for participation in a project for developing the ballistic missile defense (BMD) system. While the BMD still has many unsettled problems, the United States is urging Japan to pledge its participation in the BMD development project before the end of this year. Some quarters in the Japanese Government say "we cannot refuse the demand in consideration of Japan-U.S. security ties" (as noted by a senior Defense Agency official). Japan will have to use much diplomacy in negotiating "when Japan should join" and "how much it wants to spend for" the project.

In late April, the DPRK (North Korea) started preparatory work for test missile launching into the sea. The Japanese Government could not confirm if any missiles had actually been launched, but now feels the BMD may be necessary because even the food crisis does not slow down North Korea's missile development.

In the FY96 budget, the government provided a fund of approximately 440 million yen [Y] for BMD cost-effectiveness surveys and simulations. Whether or not Japan should take part in the BMD project is expected to be determined as early as the summer of 1997 following completion of the FY96 studies. Even if participation

in the project is approved, the government does not want to immediately clarify how much it will spend for procurement of the BMD system because it is likely to arouse budget-related controversies.

The United States will intensify pressure on Japan to clarify not only participation in the project, but also its monetary share because the U.S. Administration wants support from the defense industries to survive the upcoming presidential election.

However, giving an "immediate answer" is difficult for Japan. The BMD system is very likely to spread to third countries, and Japan's participation in the development project may be regarded as a violation of its arms export ban. Moreover, "the prospect for the completion of the project is still far from certain" (as noted by a government source) because the U.S. test launching of the interception missile, which is supposed to be the BMD system's core, repeatedly failed.

Development of the BMD system is expected to take about 10 years, and Japan's share of development costs is estimated at Y1-2 trillion. As Japan's defense expenditures are not more than Y5 trillion, participation in the BMD project would certainly tighten the budget for procurement of defense-related equipment. Moreover, Japan has to worry about China's reaction because China has been saying "introduction of the BMD system may damage the stable security balance in the Asian region."

The U.S. concept of the BMD system consists of 1) infrared sensor satellites to detect launching of ballistic missiles; 2) high performance interception missiles; and 3) an information, command, and control system to swiftly process procedures from detection to interception.

#### **Japan: Foreign Ministry Spokesman on Intraregional Relations**

OW0406112996 (Internet) Japanese Ministry of Foreign Affairs WWW in English 4 Jun 96

[News conference by Kazuo Kodama, director of the Ministry of Foreign Affairs International Press Division, with unidentified reporters on 31 May; place not given; from the "What's New!" link]

[FBIS Transcribed Text] [Topics of Discussion] I. Visit to Japan by Minister for Foreign Affairs John Gosse Downer of Australia

II. Dispatch of a Japan-Pacific Island Countries Dialogue Mission (Ambassador Hasegawa Mission)

III. Situation regarding political-asylum seekers from North Korea

IV. Japan-Russian Federation relations

V. Situation in North Korea

VI. Upcoming decision by the Executive Council of the Federation Internationale de Football Association (FIFA) regarding the hosting of the 2002 World Cup

VII. Holding of a Foreign Ministry press conference following the announcement on the 2002 World Cup by the FIFA Executive Council

VIII. Japan's position vis-a-vis Hong Kong in 1997

#### **I. Visit to Japan by Minister for Foreign Affairs John Gosse Downer of Australia**

Good afternoon, ladies and gentlemen. Minister for Foreign Affairs John Gosse Downer of Australia will visit Japan from 5-6 June, spending two days in Tokyo. During his stay in Japan, he will meet with Minister for Foreign Affairs Yukihiko Ikeda, Director-General of the Defense Agency Hideo Usui and other Government leaders to exchange views on bilateral relations, issues of the Asia-Pacific region, and others. This is Mr. Downer's first visit to Japan as Foreign Minister of Australia, since the new Administration in Australia, led by Prime Minister Howard, was inaugurated in March 1996. We very much look forward to this meeting. We know that since the formation of the new Administration in Australia, Foreign Minister Downer chose the Republic of Indonesia as his first destination; he visited Indonesia from 15 to 18 April. He then made his second visit abroad to Singapore from 18 to 20 April, and to the Kingdom of Thailand from 20 to 22 April. Subsequently, he chose Papua New Guinea and New Zealand earlier this month. So, I think the destinations for his visits abroad do reflect the priority attached by the Howard Government, and we again reiterate that we are very much looking forward to this good opportunity to exchange views pertaining not only to bilateral issues between Japan and Australia, but also to issues of the Asia-Pacific region and many other global issues which are of mutual interest. The purpose of his visit, as we see it, is, in a nutshell, to substantiate the Japan-Australia Joint Declaration of Partnership which was agreed between the leaders of the two countries in May 1995 when then-Prime Minister Paul Keating was an official guest of the Government of Japan and met then-Prime Minister Tomiichi Murayama.

Q: Is it true that Deputy Prime Minister Fisher of Australia requested to see Prime Minister Hashimoto, and he was too busy, and that Foreign Minister Downer would have liked to have seen Prime Minister Hashimoto, but he couldn't? Is it true that at the moment, Prime Minister Hashimoto only sees Heads of State from visiting countries?

A: I am not aware of those details. Generally speaking, I don't believe there is any such rule that the Prime Minister will only meet Heads of State or Government while he is in Tokyo. Of course, as you know, the Prime Minister has a very important responsibility to sit in the Diet session, as long as it is in session. It does happen sometimes that there is a clash of his obligation to sit in the Diet to answer the questions of Diet members and the need to receive foreign VIPs.

Q: You said in your introduction that the visit by Foreign Minister Downer to Indonesia, Singapore, Thailand, Papua New Guinea and New Zealand before deciding to come to Japan reflected the priorities of the Howard Government. Does the Japanese Government believe that the priorities of the Howard Government differ from those of the Keating Government as regards this region?

A: So far as the importance attached to the Asia-Pacific region, we don't really believe there has been any change at all. That means, the importance they attach to the very good, strong bilateral relationship with Japan remains unchanged.

Q: Do you expect Foreign Minister Downer to discuss the crisis in Burma next week? Has there been any request from Australia to Japan to cut aid to Burma until there is democracy?

A: I don't know what issues exactly will be taken up between Foreign Minister Downer and Foreign Minister Ikeda, but it is quite likely that they will discuss issues of mutual interest in the region, and I am sure the issue of the Union of Myanmar (Burma) is a concern for all of us. As for the contents, it is not appropriate for me to make any comment.

Q: Has there been any request at all of Japan to suspend aid to Myanmar while the crisis continues there? Have any countries, including Australia, made any requests of Japan that it should suspend its aid to Myanmar while the present crisis concerning Aung San Suu Kyi continues?

A: I don't know whether we have received such a request or not. But, as you know, our evaluation of the current situation in Myanmar is as follows — the fact that the meeting of the National League for Democracy (NLD) was peacefully conducted from 26 May is at least a step forward in view of the expansion of the freedom of political parties' activities in Myanmar. Of course, we requested the Government of Myanmar that those detained by the authorities should be released immediately, and that the Government of Myanmar should stop making any harassment directed against the

NLD; we of course, will continue to watch closely the development of the situation in Myanmar.

## **II. Dispatch of a Japan-Pacific Island Countries Dialogue Mission (Ambassador Hasegawa Mission)**

Director of the International Press Division Kazuo Kodama: The Foreign Ministry will dispatch a Japan-Pacific Island Countries Dialogue Mission to the Pacific Island countries — those countries are the Republic of Palau, the Republic of the Marshall Islands, the Republic of Vanuatu, Western Samoa and the Republic of Fiji — from 17 to 27 June. Besides Fiji, there are no actual Japanese embassies in the other four countries which I mentioned, and chances to hold dialogue at the ambassadorial level are limited. In such a situation, with the opening of the Pacific Islands Centre to be established in October of this year, the Hasegawa Mission (former Japanese Ambassador Hasegawa heads the Mission) will explain about the Centre in the four countries being visited, pay courtesy calls on their presidents and prime ministers, and have talks with their foreign ministers and other officials. In Fiji, the mission will visit the Secretariat of the South Pacific Forum (SPF) to discuss cooperation in the region. Taking this opportunity, the Hasegawa Mission is expected to discuss with those countries the ways and means of strengthening our bilateral relations on trade, investment and the development of tourism, as well as economic cooperation.

Those are the announcements which I wanted to make, and I will be delighted to respond to any questions which you may have.

## **III. Situation regarding political-asylum seekers from North Korea**

Q: I would like to ask about the North Korean scientist who sought asylum. The articles are contradictory about whether he requested asylum in Japan, about how his request was treated. We understand he has gone to South Korea. But, if he asked for Japan in the first place, why would he have been turned down, considering that he was born in Japan, spoke Japanese, and probably had family and friends here? So, I would like to know about your Government's policy in a case such as this — a North Korean refugee who is one of those who left Japan in 1960 or 1961 and moved to North Korea, and now wants to come back.

A: First of all, let me put the matter straight. That is, there was no request for asylum in Japan made by that North Korean scientist. As regards your second question, I would like to tell you that, generally speaking, the issue of political asylum is dealt with by the Immigration Control and Refugee Recognition Act. Essen-



tially, this law is under the jurisdiction of the Ministry of Justice. When we apply this law, the following are the basic procedures. If any foreigner requests political asylum, the first thing we should do is investigate whether such an application is well substantiated — especially whether he or she is under threat or risk of political persecution in his or her own country. Secondly, if the application has been substantiated, then, the procedure is such that his or her application will be processed in a manner which takes into account the need to respect his or her human rights and also the national interest of Japan. If the authorities deem that his case is appropriate, then, his entry into Japan will be permitted. If such permission is not given, our policy is such that the deportation of the person in question should not be directed to the country where he is expected to be persecuted. In addition to those procedures, I would also like to tell you that this law is applied to foreigners who are under our jurisdiction — that means that if the person in question is outside of Japan, that person cannot be dealt with by this law.

Q: So, what do you do in that case? If somebody goes to your embassy and requests asylum in a foreign country, then, what do you do?

A: At this moment, I cannot answer on any such hypothetical basis regarding our position — what sort of action that we would take.

Q: It is not so hypothetical. It must happen at embassies all over the world.

A: So far as this issue is concerned, as I told you, there was no request for political asylum in Japan.

Q: Did the scientist contact the Japanese Embassy in Beijing? If so, how did he move from there to Seoul? I heard he arrives in Seoul today via Hong Kong. Could you share the details which you have, please?

A: As regards your first question — how this man contacted the Japanese Embassy in Beijing — in view of the very delicate nature of this issue, regarding the modality of the contact and his whereabouts in Beijing, we don't want to make any comment. On the other hand, I am very happy to tell you that the Spokesman of the Ministry of Foreign Affairs of the Republic of Korea announced this morning at 10:00 R.O.K.-time that two North Koreans — one a scientist and another a broadcast drama writer — having asked for political asylum in the Republic of Korea, are scheduled to 13:00 today, after departing Hong Kong. The two, after completing their immigration procedures, are expected to conduct a press conference. According to the Reuters news report, they arrived on a scheduled Korean Airlines flight from Hong Kong.

Q: Can I just clarify your previous answer to me? Can you tell me? Is there no procedure whatsoever for the Foreign Ministry in dealing with asylum requests at your Embassies abroad? You have no standard procedure?

A: I think I answered your question — we deal with the issue of asylum in accordance with the Immigration Control and Refugee Recognition Act, and this law applies to foreigners who happen to be within the jurisdiction of Japan.

Q: Could you tell me the reason why yesterday the Japanese Government completely negated the possibility of these two North Korean people coming to the Japanese Embassy in Beijing, whereas in the afternoon Foreign Minister Ikeda stated that there was such a case? Could you tell me the reason why there was a change of positions?

A: So far as the Foreign Ministry is concerned, we don't think there is any change of position. Today, there was no such request for political asylum in Japan.

Q: No. No. I am not talking about political asylum in Japan. Yesterday, Foreign Minister Ikeda said that at least one of them contacted the Japanese Embassy in Beijing.

A: Not two. There is confusion. We don't know anything about the second person. In Foreign Minister Ikeda's answer to the question at the Diet yesterday, he admitted that there was a contact between the Japanese Embassy and the man in question.

Q: But your Embassy in Beijing said that there was no such contact. So, there was a change of stance within your Ministry before the Foreign Minister admitted to such an incident in Beijing. Before that, in the morning.

A: I have to really check what the exact comment delivered by our Embassy in Beijing was. I think it should suffice to tell you that, as I told you previously, in view of the very sensitive, delicate nature of the issue itself, maybe their first response was simply that they were not aware of this.

Q: Going back to the North Korean question again — can we understand that the comment by Foreign Minister Ikeda that the scientist contacted the Embassy in Japan matches the official stance of the Japanese Government.

A: Yes.

Q: If the Embassy is not empowered to grant asylum — I understand that only the immigration service can do that — is the Embassy empowered to grant a visitor's visa to a person who comes in seeking asylum, so that that person can then come on to the shores of Japan and

apply for asylum? Do you tell them: go away, we don't want anything to do with you because you are not in Japan? One or the other, right?

A: I really don't know. There may be some other way of doing these things. What happened is really that this man was seeking political asylum in the Republic of Korea and not in Japan.

Q: I am talking about the general case, now. I am more interested in the general case than the specific case, obviously for future reference. In the future, there may be tens of thousands of Japanese Koreans who are seeking asylum in Japan. Their families were here; they came from here. In the future, if there is a collapse in North Korea, if there is a war, if there is a revolution, there may be tens of thousands of them. You must have a procedure! How do you handle it? That is the question.

A: On that question, really, I have no comment to make.

Q: Could you give me the Foreign Ministry's view on the current situation in North Korea, regarding these consecutive political asylums. How are you viewing the situation right now?

A: Simply put, we don't believe the recent incident will make it harder for us to improve the relationship between Japan and North Korea. In any case, as we have made clear on various occasions, the Government of Japan intends to deal with the issue of the normalization of relations between Japan and North Korea taking into consideration the following two aspects — one is to rectify the anomalous relations between Japan and North Korea after World War II, and the other, to contribute to peace and stability on the Korean Peninsula.

#### IV. Japan-Russian Federation relations

Q: Regarding the situation in Russia — Russian President Boris Yeltsin has recently signed a peaceful accord with the Chechen Republic. Can I ask you to comment on this?

A: Our very basic stance on this issue is that this is primarily an issue related to the Russian Federation, a domestic matter, and also, the issue is a pending one, an unsettled one, and we have witnessed various military battles between the two parties; we sincerely hope the issue will soon be settled in a peaceful manner.

Q: Can I ask you again something concerning the Russian-Japanese relations? The Commander in Chief of the Russian troops in the Far Eastern region of Russia has been visiting Japan; he is leaving today to go back to Russia. It was a rather fascinating, rather startling visit. Can you inform us about the contents of the talks which were held by the Commander in Chief with the

officials of the Defense Agency of Japan, and who else he may have met?

A: Yes. Mr. Chechevatov, Commander in Chief of the Russian military in the Far Eastern region of the Russian Federation, has been visiting Japan from 27 to 31 May, accepting the invitation extended by a Hokkaido newspaper company, a private institution. The main purpose of his visit to Japan this time was to deliver a speech in Sapporo, which in fact took place on 29 May, to a gathering of business people and various others in Sapporo. We understand, therefore, that his visit to Japan was private; but, having said so, his meetings with various officials of the Government — his counterparts in the Defense Agency of Japan, or even the Director-General responsible for Russia in the Ministry of Foreign Affairs — would be very meaningful, especially in the wake of the very historic visit made by Director-General of the Defense Agency (Minister of State) Hideo Usui, which took place in April, to meet his counterpart, Minister of Defense Pavel Grachev of the Russian Federation, to discuss security affairs between Japan and Russia, as well as methods of strengthening exchanges between the two authorities. As for the contents of this meeting, I don't have anything to tell you today, but I will check for you, if you would like to contact us later.

Q: Can we understand that this visit is some sort of moving Japan to more active military cooperation with Russia?

A: It is not appropriate for me to make any personal observations. As I have explained to you, this was a private visit, initiated by a Japanese newspaper company. But, we are very pleased to make use of his visit to further promote dialogue between the two countries.

#### V. Situation in North Korea

Q: About North Korea — there have been a lot of recent developments. The scientist's political asylum in South Korea, and now the World Food Programme (WFP) is worried that the North Korean food supply will last only up until the end of June. Have these latest developments changed the evaluation on the part of the Japanese Government of the difficulties in North Korea?

A: My short answer is — no. If I may add anything, we are, of course, aware of the briefing given by United States Department of State Spokesman Nicholas Burns, which he delivered last Wednesday, 29 May, in Washington, D.C. He commented as follows on this issue. "The World Food Programme (WFP) team that went to North Korea warns that there is a food crisis, and that there is a very difficult situation for many people in North Korea. We have contributed in the past



We will now await any kind of international appeal made by the UN and the WFP, and we will make our decisions based on that appeal." That is the position of the U.S. Government as of today. In view of the fact that we don't know yet the content of any such appeal by the United Nations Department of Humanitarian Affairs (UNDHA), we would like to withhold any comment on this issue.

Q: NHK reported yesterday morning that North Korean television starting to broadcast small programs telling people how to distinguish edible grasses and roots, and so on. Do you have any knowledge of such programs? Have you got any new information on the shortage of food in North Korea?

A: First of all, I am not aware of that program. I didn't watch that program, and I don't know the contents at all. So far as the North Korean food situation is concerned, at this moment, our view on this situation remains unchanged.

**VI. Upcoming decision by the Executive Council of the Federation Internationale de Football Association (FIFA) regarding the hosting of the 2002 World Cup**

Q: The decision about the 2002 World Cup is coming up, potentially over the next day or two. Are there any concerns about potential damage to Japan-South Korea relations — trade tension for example?

A: First of all, of course, we hope this issue will not impair the bilateral relationship between Japan and the Republic of Korea. Now, we all know that, today from 09:00 Swiss time or 16:00 Japan time, the Executive Council of the Federation Internationale de Football Association (FIFA) will be convened, where we of course we anticipate President of the Union of European Football Association (UEFA) Lennart Johansson and some other members of the FIFA Executive Council will raise the issue related to the co-hosting of the 2002 World Cup. We don't know what the outcome of this discussion will be. So, we will simply wait to see what decisions will come out of the Executive Council today. In any case, as Foreign Ministry Press Secretary Hiroshi Hashimoto mentioned earlier this week, the Football Association of Japan should make a decision, and the Government of Japan will respect the decision made by the Association.

Q: Has this issue been brought up at all between the Governments of Japan and the Republic of Korea — potentially discussion of how to co-host?

A: No, I don't think so.

Q: This morning, right after the Cabinet Meeting, Minister of Education Okuda stated that Japan will have to go along with FIFA's decision, if FIFA decides to go for the co-hosting. Can I take this as the view of the Government of Japan as a whole?

A: Minister of Education Mikio Okuda is the minister responsible for the 2002 World Cup so far as the Government is concerned, so we take his announcement as it stands.

Q: I just want to clarify — does the Government have any official position regarding whether co-hosting the World Cup is acceptable or not?

A: As I think Press Secretary Hashimoto in his previous briefings made clear to all of you, the decision in any case should be made by the Football Association of Japan, and then, the Japanese Government will certainly respect their decision. We will fully respect this decision and we will continue to support the Association's ideas.

Q: I just want to clarify a point of history regarding the World Cup. I have read reports that the previous Japanese Government did propose to South Korea the idea of co-hosting the Cup, although that position has since changed. Is that the case?

A: I am sorry, I don't know the history, myself. If you are interested, I can check. If you contact us later, we will give you the answer.

**VII. Holding of a Foreign Ministry press conference following the announcement on the 2002 World Cup by the FIFA Executive Council**

Director of the International Press Division Kazuo Kodama: I want to make an administrative announcement regarding the World Cup issue. I think we distributed to your office a special notice telling you that either Press Secretary Hashimoto or myself will give a special press conference tonight at midnight. If you are interested in the position of the Government of Japan after knowing the results of the meeting of the FIFA Executive Council, you are most welcome. In any case, FIFA will give a press conference at 23:00 Japan time, in Switzerland. Right after FIFA's announcement at the press conference, we will hold our own press conference here in Tokyo.

Q: It seems a little bit unusual for you to hold a news conference at midnight on these issues. Is there any particular reason why, instead of the following morning?

A: No, I thought that would simply satisfy your needs. That's all. If you don't want to — nothing else, really. We just want to facilitate your coverage.

Q: We appreciate that. That will be here?

A: Yes. Here at midnight. Please give us a call, because prior to our conference, a separate conference to the Kasumi Club will be held in the same place. Right after that conference is finished, we will start the press conference for foreign journalists.

#### VIII. Japan's position vis-a-vis Hong Kong in 1997

Q: Apparently, an article appeared in the Hong Kong Standard today, an interview with Foreign Minister Ikeda, in which he said that he would continue to support human rights in Hong Kong even after the Chinese takeover in 1997. I was wondering if you knew specifically what types of human rights abuses he was fearing the Chinese might inflict on the people in Hong Kong after 1997.

A: I don't think he made any specific reference to the details of any potential human rights abuse. What he emphasized in that interview, so far as I know, was that human rights is a universal value to be respected by us all, and we support the smooth transfer of sovereignty over Hong Kong to the People's Republic of China to take place 1 July 1997. At the same time, we sincerely hope that the Chinese Government together with the Government of the United Kingdom of Great Britain and Northern Ireland, will honor their commitments stipulated in the Joint Declaration which was concluded between the United Kingdom and China in 1984, and also the Basic Law related to Hong Kong which was enacted in China.

Q: If the Chinese start locking up people who, for example, express dissenting opinions, would you consider suspending loans to China?

A: I don't think it is appropriate for us to make any sort of predictions about any hypothetical situations. Thank you very much.

#### Japan: Defense Officials Concerned About Okinawa Governor's U.S. Visit

OW0506053196 Naha OKINAWA TIMES in Japanese  
5 Jun 96 Morning Edition p 2

[FBIS Translated Text] Tokyo — Governor Masahide Ota is scheduled to visit the United States beginning 14 June for talks with U.S. Defense Secretary Perry. In connection with Ota's visit, the Defense Facilities Administration Agency [DFAA] can hardly conceal its concern and puzzlement, because the Agency is afraid it will have to postpone further asking the governor to circulate by proxy public notifications on forced use of land for military purposes.

Within the government, some officials share the view that DFAA Director General Masuo Morotomi should be dispatched to Okinawa to persuade Governor Ota.

However, since the governor will be absent beginning the next week, no action can be taken now. The DFAA source maintains that "the procedures are being carried out in a cool manner." However, since the Supreme Court has decided on holding a hearing on the case involving proxy signing of documents on forced use of land, the Agency is disappointed because it originally hoped that the issue would be settled early. Moreover, the governor's sudden decision to visit the United States must have given a shock to the Agency.

Prior to dispatching Director General Morotomi to Okinawa, Director General Sadakatsu Kohama of the Naha Defense Facilities Administration Bureau [DFAB] made a proposal for talks with the governor. However, the prefectural government has indicated difficulty under the excuse that Governor Ota is busy because of the prefectural assembly election and other reasons. Thus, a senior DFAA official is quite at a loss, saying that "we can hardly form a clear view of the situation so as to decide on whether the director general should be dispatched." Reportedly, the government will have to decide on its plans, including the timing for starting to persuade the governor, by around 6 June.

Originally, the DFAA had set a two-week time limit term for the governor to decide whether he would agree to the request for circulating the public notification. And since the request was submitted on 28 May, the governor is expected to make his decision by 11 June. If the governor should fail to comply with the request, the DFAA intends to start procedures for requesting Prime Minister Ryutaro Hashimoto to issue recommendations and instructions for the governor to carry out his order. However, timing for these procedures now coincides with the governor's scheduled visit to the United States.

Concerns have been voiced within the Agency over the possible delay in carrying out the necessary procedures. For instance, one official said: "As far as working-level procedures are concerned, there will be no problems about issuing recommendations during the governor's absence. However, (when the officials at the upper level such as those at the Defense Agency or the Prime Minister's Official Residence are involved) in making the final judgement, it goes without saying that they may have to take practical matters into consideration." And other officials are of the opinion that if the deadline for working out the conclusion should be set at the time when the governor is absent, it would be difficult to win the people's understanding; and, therefore, the final conclusion will not be worked out until after 21 June, when the governor returns to his post.

### **Japan: MOFA Official Approves ACSA Application During Emergency**

OW0406131596 Tokyo YOMIURI SHIMBUN  
in Japanese 4 Jun 96 Morning Edition p 2

[FBIS Translated Text] On 3 June, a senior Ministry of Foreign Affairs [MOFA] official commented on applying the Japan-U.S. Acquisition and Cross-Service Agreement (ACSA). He said: "We can give goods and services to U.S. military units, which are taking part in Japan-U.S. joint exercises, even when (a part of) the U.S. military is in combat somewhere else." In this way, he clarified a view that even when U.S. troops are in an emergency, Japan can give goods and services to U.S. troops engaged in activities in different places under the ACSA.

On the possibility of Japan's goods and services being sent to other U.S. military units in combat, the same senior official explained a view that there is no problem as far as ACSA is concerned. However, he also said: "There is an issue of making a decision on whether or not training should be held when the U.S. military is engaged in combat actions." He explained that such a case is actually unthinkable.

Supply of goods and services to the U.S. military on the basis of ACSA is limited to only three cases, during "peacetime": 1) Japan-U.S. joint military training, 2) UN peacekeeping operations (PKO), and 3) international humanitarian aid." It seems that the official's view will create a stir because it approves the possibility of giving goods and services to the U.S. military during an "emergency."

### **Japan: Discord Noted Between MOFA, DA Over ACSA Application**

OW0406030596 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 2 Jun 96 Morning Edition p 2

[FBIS Translated Text] Discord became apparent between the Ministry of Foreign Affairs [MOFA] and the Defense Agency [DA] over application of the Acquisition and Cross-Service Agreement (ACSA), which enables the Self-Defense Forces [SDF] and the U.S. military to supply each other with fuel and other services. MOFA introduced a new understanding that, within the framework of the agreement, Japan can give logistical support to the U.S. military during an emergency. But the DA, as it has been doing in the past, insists on the view that emergency situations should not be included within the scope of ACSA application. It seems that the discord between the two ministries will have some impact on future of government and ruling parties policy on Japan-U.S. defense cooperation aimed at a possible emergency in the Far East.

Both countries signed the agreement in April at the Japan-U.S. Security Committee meeting (2 plus 2). It is now being studied in the Diet for ratification. Regarding its application, ACSA cites three cases — 1) Japan-U.S. joint military training, 2) UN peacekeeping operations (PKO), and 3) international humanitarian aid — as examples. At the same time, it clearly states that "activities during an emergency shall be exempted." However, the government has been explaining repeatedly, saying: "Emergency cases will eventually be excluded, because it is unthinkable in the name of common sense to conduct joint training or PKO," (according to the DA).

But Foreign Minister Yukio Ikeda revised MOFA's interpretation at the 30 May meeting of the lower house diplomatic committee, saying [ACSA] "will not be applied to the U.S. military's 'combat actions' during an emergency." He explained for the first time the view that ACSA is applicable even during an emergency as long as the SDF holds joint training with the U.S. military as long as it is outside of a battle zone. But DA Director General Hideo Usui commented on ACSA application at a 31 May news conference, saying clearly that the agreement "was not signed on the assumption of emergency." In this way, there is a clear interpretational difference between the DA and MOFA.

The reason behind this is that MOFA wants to broaden beforehand its chance of supporting the U.S. military during an emergency by taking advantage of the framework of the agreement. On the other hand, the DA wants to strictly limit application of the agreement to joint training and such. The DA is of the view that the issue of support for the U.S. military during an emergency should be restudied at various meetings, including the one for review of the "Japan-U.S. defense guideline," which will come into full swing in the future.

Since Foreign Minister Ikeda's new interpretation is clearly different from explanations the government has made in the past, the ruling parties are beginning to express their views of opposition, saying: "Discussions should be held again at meetings of the concerned councils of the ruling parties," (according to a member of the Social Democratic Party). There is a high probability that the interpretational difference will become a problem in the future.

Moreover, the DA is critical of MOFA. (A senior DA bureau official) said: "Now that the Diet is about to ratify the agreement, MOFA is trying to expand its interpretation of ACSA application. It is a matter of course for us distrust them. Contrary to its intention, the MOFA's attempt will have a negative impact on future Japan-U.S. meetings on defense cooperation."



**Japan: 'Gray Areas' Remain in ACSA With U.S.**

OW0406134696 Tokyo KYODO in English  
1313 GMT 4 Jun 96

[FBIS Transcribed Text] Tokyo, June 4 KYODO — Japan's House of Representatives on Tuesday [4 June] approved a Japan-U.S. pact on mutual supply of military goods and services, despite unresolved questions about its applicability in the event of a military emergency.

The Acquisition and Cross-Servicing Agreement (ACSA), signed in April, is limited to peacetime joint exercises, U.N. peacekeeping operations and international humanitarian relief activities, and does not refer to emergency situations.

It will now go to the House of Councillors for consideration.

The accord was limited to peacetime activities due to questions in Japan over whether supplying military goods and services during emergencies violates the Japanese constitutional ban on the implementation of the right to collective defense.

But in late May, Foreign Minister Yukihiko Ikeda indicated the pact might be applicable to joint military exercises even in the event of emergencies because it does not say under what circumstances it is to be implemented.

The United States has signed similar agreements with 19 other countries and two organizations, but most cover mutual supply of goods and services in times of contingencies.

Ikeda said, "even if sections of the U.S. Military were involved in combat activities, the rest would conceivably remain in the country (Japan) and be involved in other activities."

This was interpreted as meaning that even if the U.S. Military were involved in combat on the Korean peninsula, the mutual provision of supplies and services could take place where there are joint military exercises at the time.

But questions remain as to whether this involves an overlap of "the use of force" and the "right to collective defense," according to defense experts.

Although one top official at the Defense Agency has said joint exercises during an emergency are "unthinkable," and the agency's Director General Hideo Usui has said the agreement does not assume an emergency, the gray areas remain undefined.

The possibility that weapons which include parts supplied by the SDF [Self-Defense Forces] could be used in military action after they have been supplied for joint

exercises is shaping up as a point of debate in the upper house.

**Japan: LDP Member Says Asian Women Not Forced Into Prostitution**

OW0406121796 Tokyo KYODO in English  
1201 GMT 4 Jun 96

[FBIS Transcribed Text] Tokyo, June 4 KYODO — A Liberal Democratic Party (LDP) lawmaker said Tuesday [4 June] the wartime sex slaves for the Japanese Imperial Army were not forced into prostitution.

Seisuke Okuno, former education minister and a member of the House of Representatives, said at a press conference that the women simply responded to recruitment in a "commercial activity."

The Japanese Army may have arranged transportation for them to go to the war fronts for their job but didn't force them to go, Okuno said.

Okuno made the remarks after the launching the same day of a new group of LDP Diet members who refuse to admit that Japan waged a war of aggression during World War II. Okuno leads the group.

Although Yohei Kono, chief cabinet secretary under former Premier Kiichi Miyazawa, had admitted the involvement of the state in the issue, the Imperial Army had nothing to do with the affair, Okuno said.

Okuno also criticized the Asian Women's Fund, a special government-led private fund set up to provide compensation to former "comfort women," as they are euphemistically known.

Prime Minister Ryutaro Hashimoto is expected to offer an apology to these women.

A copy of the apology is to be given to each former "comfort woman" together with a lump-sum payment from the fund.

The fund, launched last July with the goal of collecting 1 billion yen in donations from the Japanese public by the end of March 1996, has so far garnered only about 340 million yen.

Many former "comfort women" and organizations supporting them say the government should abandon its attempts to get the private sector to donate to the fund and instead make direct payments on behalf of the state.

Historians say some 100,000 to 200,000 Asian women, mainly from the Korean peninsula then under Japanese colonial rule, were forced into sexual slavery at military brothels for the Japanese Imperial Army.

**Japan: Fund Decides Payment Amount for 'Comfort Women'***OW0506004896 Tokyo KYODO in English  
0005 GMT 5 Jun 96*

[FBIS Transcribed Text] Tokyo, June 5 KYODO — A government-initiated private fund decided late Tuesday [4 June] to offer at least 2 million yen each to Asian former sex slaves of the Japanese Imperial Army, with the money to be accompanied by a written apology from Prime Minister Ryutaro Hashimoto.

The board of directors of the Asian Women's Fund made the decision after a six-hour, closed-door session at a Tokyo hotel to offer the money to some 300 survivors of the wartime sex slavery who are living in South Korea, the Philippines and Taiwan.

The directors accepted Hashimoto's promise made Monday to Fund President Bumbei Hara, a former House of Councillors president, to write a "heartfelt letter with apology and remorse" when the money is paid to the women euphemistically called in Japan as "comfort women."

The directors decided to set up a task force to study medical and welfare projects for the women, for which they recommend the government foot the bill, and to fix the amount of the one-time solatium to be paid from the donation-funded foundation, Hara told a midnight press conference after the session.

The planned working team will study what concrete measures should be taken to help the women in the field of medical care, welfare and housing. The exact amount of money, "not less than 2 million yen" each, will be decided depending on how the projects are implemented, Hara said.

"We want to create a condition as soon as possible so that the victims will accept our sincerity," a director said.

The government has ruled out disbursing money from the state coffers for the solatia, saying it goes against its policy of not compensating individual war victims, on the grounds that government-level war compensation has been resolved.

The fund, however, recommends that the government pay for such things as care for the elderly women, Hara said.

The task force should expedite reaching decisions on the projects and solatia so that the money can be offered to the women in July or August, as planned by the fund, he said.

The foundation will also call for including in Hashimoto's letter an acknowledgement that the Japanese state and military had a hand in the "comfort women" issue and thus accept responsibility, so that the letter will lead to restoration of the women's honor, a director said.

The directors previously planned to decide on the amount of the solatia at a May 24 meeting, but they postponed their decision after some of them voiced uncertainty concerning the precise contents of Hashimoto's anticipated letter.

The fund, launched last July with the goal of collecting 1 billion yen in donations from the Japanese public by the end of March this year, had garnered only about 340 million yen as of May 24. Controversy has surrounded the fund, with some of the former sex slaves and their supporters criticizing it as being a means for the government to avoid compensating the victims directly.

Along corridors leading to the hotel hall where the session was held, a group of activists against the fund drive staged protests.

Kim Sang-hui, a 74-year-old South Korean former comfort woman, spoke out at the press conference, asking the directors to listen to her voice.

An estimated 100,000 to 200,000 women, mainly from the Korean peninsula which was then under Japanese colonial rule, were forced into sexual slavery under the Japanese Imperial Army before and during World War II.

**Japan: Government Seeks To Join Sino-Russian Natural Gas Project***OW0506042596 Tokyo KYODO in English  
0305 GMT 5 Jun 96*

[FBIS Transcribed Text] Tokyo, June 5 KYODO — Japan has sounded out the Chinese and Russian governments about the possibility of its joining their project to develop a natural gas field in Irkutsk, Siberia, officials at the Agency of Natural Resources and Energy said Wednesday [5 June].

Russia and China agreed on the joint development of the Kovyktinskoye gas field as one of their key bilateral economic cooperation projects, when Russian President Boris Yeltsin visited Beijing in April, the officials said.

They said the field is estimated to have the largest deposits of any single gas field in Asia — about 400 million to 600 million tons in terms of conversion to liquefied natural gas (LNG), or almost 10 times Japan's annual LNG imports.



The project is expected to require more than 1 trillion yen in investment and to take 10 to 20 years to be completed.

If Japan is accepted as a partner in the project, it will be the first large-scale joint energy development project by the three countries, the officials said.

The agency expressed its strong interests in joining the project at Japan-China energy talks in mid-May, the officials said. The Japan National Oil Corp. has also sent researchers to Russia to examine the project, they said.

The Chinese and Russian governments are expected to decide on whether to accept a third partner sometime this fall. In addition to Japan, South Korea has shown interests as well, the officials said.

According to the officials, the project is in the feasibility study stage at present.

China and Russia have agreed that the gas produced will mainly be supplied to Chinese cities through pipelines planned to be laid from Russia to Beijing and Shandong Province through Mongolia. No exports of the gas to other countries are planned at present.

Japan is seeking to participate in the project from the viewpoint of securing stable energy supplies in Asia, the agency officials said.

An agency projection shows that Asia's energy demand will double by 2010 in comparison with the level of demand in 1992, should economic development in the area continue at the present pace, they said.

On the other hand, energy supplies are expected to decline in the area, with China having become a net importer of energy since 1993 and Indonesia expected to become a net importer as well in the near future.

A serious result of this situation could be that not only Japan but also the whole of Asia could become dependent on oil supplies from the Middle East, the officials said.

**Japan: Ikeda Meets PRC Official on Investments in Hong Kong After 1997**

OWD406121196 Tokyo YOMIURI SHIMBUN  
in Japanese 4 Jun 96 Morning Edition p 2

[FBIS Translated Text] On 3 June, Foreign Minister Yukihiko Ikeda met with Lu Ping, director of the PRC Hong Kong and Macao Affairs Office, at the Foreign Ministry.

In conversation on the Hong Kong economy after the 1997 reversion to China, Lu Ping called for Japan's larger investments in Hong Kong, saying: "We would

like to attach importance to preservation of merits of the free economy system, and to create an environment for fair competition. We will not give privileges to Chinese capital in running the Hong Kong economy."

In response, Ikeda stated: "Hong Kong's stability and prosperity is important not only for Hong Kong itself, but also for all of China."

**Japan: Cabinet Issues 'Understanding' of UN Convention on Law of Sea**

OWD406063896 (Internet) Japanese Ministry of International Affairs WWW in English 3 Jun 96

[Document released by the Foreign Ministry on 3 June on the Cabinet's understanding of the United Nations Convention on the Law of the Sea and the Adjustment of Japan's Maritime Legal Regime; from the "What's New!" link]

[FBIS Transcribed Text] The Cabinet's Understanding of the Conclusion of the United Nations Convention on the Law of the Sea and the Adjustment of Japan's Maritime Legal Regime. (tentative translation) February 20, 1996

I. The United Nations Convention on the Law of the Sea and the Agreement Relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 not only contribute to the establishment of a stable legal order of the seas and oceans in the international society, but also meet Japan's national interests as a maritime nation. Therefore, the Government of Japan proceeds with necessary preparations with the aim of their early conclusion.

II. 1. The Government of Japan, in order to adjust its maritime legal regime, also proceeds with necessary preparations including the following measures:

a. To establish the contiguous zone, as a zone where a coastal state exercises the control necessary to prevent or punish infringement of its customs, fiscal, immigration or sanitary laws and regulations within its territory;

b. To establish the exclusive economic zone, as a zone where a coastal state exercises its rights with regard to fishery, mining, protection of the maritime environment and so on;

c. To enable the adoption of straight baselines as territorial baselines, to enable the appropriate exercise of Japan's rights as a coastal state, and to consider appropriate adjustment of laws with regard to the regulation on the sea.

2. As Ministers in charge of these tasks, Minister of Transport engages in the coordination with regard to the

territorial sea and the contiguous zone, so does Minister of Agriculture, Forestry and Fisheries with regard to the exclusive economic zone and the continental shelf, respectively.

3. The Government of Japan, with regard to fishery relations with the Republic of Korea and the People's Republic of China, makes earnest efforts to start talks promptly, with the aim of the early conclusion of new fishery arrangements, fully based upon the spirit of the United Nations Convention on the Law of the Sea, and to reach a conclusion within a reasonable period of time.

**Japan: Foreign Minister Ikeda's Message on UN-Proposed Sea Law**

OW0406074196 (Internet) Japanese Ministry of Foreign Affairs WWW in English 3 Jun 96

[Foreign Minister Yukihiko Ikeda's statement released on 3 June on the UN Convention on the Law of the Sea; from the "What's New!" link]

[FBIS Transcribed Text] Message from the Minister for Foreign Affairs

The U.N. Convention on the Law of the Sea was signed after many years of international discussion and cooperation with the aim of establishing a stable maritime legal order in the world. Japan, a maritime nation, believes that this Convention is of great significance to the international community, and is determined to play an active part in achieving its objectives and ensuring its steady implementation. [signed] Yukihiko Ikeda

**Japan: Finance Minister Plans Increased Burden for 'Jusen' Founder Banks**

OW0506065096 Tokyo KYODO in English 0427 GMT 5 Jun 96

[FBIS Transcribed Text] Tokyo, June 5 KYODO — The government will show the founder banks of seven failed "jusen" housing loan companies a concrete plan on how they should increase their contributions to liquidate the mortgage companies, Finance Ministry Wataru Kubo indicated Wednesday [5 June].

"If necessary, I think that the government might have to suggest it in concrete terms," Kubo said at a session of the House of Representatives ad hoc committee on the jusen issue.

He also said the government and the founder banks will need to discuss the extra contributions, he also said.

Kubo said, however, that the ruling parties have yet to come up with a plan that they have all agreed to.

The Finance Minister made the comments apparently in response to comments by Shunsaku Hashimoto,

chairman of the Federation of Bankers Associations of Japan, who said at the same committee meeting the previous day that the founder banks may consider contributing more for the jusen firms' liquidation if there is a "good plan."

The government has submitted a liquidation scheme to the Diet, but it has met strong opposition due to the use of 685 billion yen in taxpayers' money as part of the liquidation costs.

**Japan: 'Jusen' Firms Take Legal Action To Recover Claims**

OW0506080796 Tokyo KYODO in English 0741 GMT 5 Jun 96

[FBIS Transcribed Text] Tokyo, June 5 KYODO — Seven moribund "jusen" housing loan companies have taken legal action to recover 267.4 billion yen worth of claims on debtors in fiscal 1995, a senior finance ministry official said Wednesday [5 June] in the Diet.

Yoshimasa Nishimura, director general of the ministry's Banking Bureau, told an ad hoc committee on financial problems in the House of Representatives that 2,202 cases of claims worth 204.5 billion yen were auctioned in the fiscal year ended March 31, 1996.

Nishimura also said 378 cases of claims worth 62.9 billion yen were placed under attachment or provisional attachment.

**Japan: Bank of Japan Tightens Inspection Standards on Risk Management**

OW0506115596 Tokyo KYODO in English 1120 GMT 5 Jun 96

[FBIS Transcribed Text] Tokyo, June 5 KYODO — The Bank of Japan (BOJ) has tightened its inspection standards to have commercial banks strengthen their risk management system, BOJ officials said Wednesday [5 June].

The revision of inspection standards, the first since their introduction in 1987, follows the revelation of massive problem loans at many financial institutions and a huge trading-loss scandal at Daiwa Bank's New York branch.

The BOJ officials said the new standards help prevent banks' heavy exposure to a specific company or sector.

Under the standards, a bank is required to set a ceiling on loans to a company and manage its lending activity on a sector-by-sector basis, they said.

To cope with the rapidly changing business environment, the new standards call on banks to include experts

of derivatives and other new financial tools to their internal check teams, the officials said.

The standards also urge banks to implement internal inspections at an appropriate pace, they said.

Under the new standards, banks are required to present a set of measures to cope with emergency like that seen when a powerful earthquake hit western Japan in January 1995, the officials added.

The central bank has strong confidence in the new standards.

A BOJ official said, "the new standards include very high-level items even major banks have difficulty meeting immediately."

The BOJ will review the standards regularly, the official said.

The BOJ has been making an inspection of banks every two or three years to check the health of their assets and operations at their branches and offices.

If problems are found at a bank, the BOJ instructs it to improve operations.

#### **Japan: Banks Said Considering Extra 'Jusen' Burden**

OW0406134496 Tokyo KYODO in English  
1244 GMT 4 Jun 96

[FBIS Transcribed Text] Tokyo, June 4 KYODO — A banking industry leader indicated Tuesday that banks may consider accepting an additional burden in liquidating seven insolvent "jusen" housing loan companies they founded.

If there is a "good plan" to ease taxpayers' burden included in the government-drafted liquidation scheme, a possibility of banks considering it may arise, said Shunsaku Hashimoto, chairman of the Federation of Bankers Associations of Japan, during a session of the House of Representatives ad hoc committee on the mortgage company problem.

However, no concrete plan is in sight, Hashimoto said.

Although banks are seeking new contributions, they are having trouble finding them because they are bound by limits as private businesses, Hashimoto said, adding he hopes the government-crafted liquidation scheme will pass the Diet as early as possible.

The scheme features the use of 685 billion yen in taxpayers' money to partially finance liquidation of the housing loan firms.

At the committee session, Hiroshi Takano, a top official of the Central Union of Agricultural Cooperatives,

said Hashimoto's remarks are unclear on whether the banking industry will take on an extra burden.

Takano refused to clarify whether the union will shoulder an additional burden, saying it will give earnest consideration to the issue.

Farm-related financial institutions are the largest creditor group to the mortgage companies.

In the meantime, the tripartite ruling coalition intends to seek the passage of the mortgage-firm liquidation and five other financial bills without amendment through the Diet during its current session which ends July 19, coalition officials said.

#### **Japan: Coalition Fails To Adopt Report on Finance Ministry Reforms**

OW0406151996 Tokyo KYODO in English  
1353 GMT 4 Jun 96

[FBIS Transcribed Text] Tokyo, June 4 KYODO — A ruling coalition task force presented a draft report Tuesday [4 June] on steps to reform the finance ministry, but the tripartite coalition failed to approve it as some members insisted the report lacked specific proposals.

The draft report, compiled by the task force for Japan's new financial administration, stressed the need to overhaul the Bank of Japan (BOJ) Law to increase the central bank's independence.

The draft, however, fell short of presenting specific measures on organizational reforms of the Finance Ministry, and met with strong dissatisfaction from some coalition party members.

As a result, the task force decided to hold a meeting again to set a final version of the report to be submitted to Prime Minister Ryutaro Hashimoto.

Coalition sources said the Liberal Democratic Party (LDP), the biggest of the three governing parties, was reluctant to proceed with organizational reforms of the ministry, wanting to keep the powerful ministry on its side.

The two other coalition partners — the Social Democratic Party and New Party Sakigake — hoped to separate the ministry's inspection department in order to create a new financial industry watchdog, the sources said.

Policy-makers from the three parties are expected to meet as early as next week to adopt the report after fine-tuning views on the issue, they said.



### **Japan: Japanese Banks in UK Speed Up Reduction of Assets**

OW0206034696 Tokyo KYODO in English  
0331 GMT 2 Jun 96

[FBIS Transcribed Text] Tokyo, June 2 KYODO — Japanese banks in Britain are accelerating moves to reduce their assets, a major economic daily reported Sunday [2 June].

Behind the moves are low profit margins in British business, spreading restructuring efforts among the Japanese banks and their lingering concern over the renewal of the "Japan premium," an additional fund-raising cost imposed on them due to their unstable business conditions, the NIHON KEIZAI SHIMBUN said.

According to the Bank of England, the outstanding balance of assets held by the Japanese banks stood at a combined 206.2 billion pounds at the end of April, down 12.6 percent from a year before for the six consecutive month of year-to-year declines, the daily said.

The drop contrasts sharply with a 21 percent rise registered during the same period by other foreign banks operating in Britain, the paper said.

The April 31 asset balance for the Japanese banks accounted for 10.9 percent of total banking assets in Britain, down 3.6 percentage points from a year before and a sharp drop from a peak 26.6 percent at the end of 1986, the paper said.

### **Japan: Hashimoto Orders Study on Economic Stimulus Budget**

OW0406132896 Tokyo KYODO in English  
1302 GMT 4 Jun 96

[FBIS Transcribed Text] Tokyo, June 4 KYODO — Prime Minister Ryutaro Hashimoto instructed policy-makers of the ruling coalition to study the scope of a supplementary budget to prop up the domestic economy, coalition officials said Tuesday [4 June].

Hashimoto gave the order in a meeting with Taku Yamasaki, chairman of the Liberal Democratic Party's Policy Affairs Research Council, and policy-makers of the other ruling coalition parties, they said.

"I was shocked by the rise in the unemployment rate. A supplementary budget is necessary and I hope you will study its contents," he was quoted as saying.

The officials said the prime minister hopes the extra budget will be submitted to an extraordinary Diet session this fall.

Hashimoto said the supplementary budget should be designed to boost consumer spending and include outlays for scientific and technological research and development, according to the officials.

The policy-makers were also asked to study the effects of a hike in the consumption tax to 5.0 percent from the present 3.0 percent, effective April 1 next year, taking into account economic factors.

### **Japan: Economic Planning Official Forecasts Slow, Steady Recovery**

OW0506051996 Tokyo EKONOMISUTO in Japanese  
4 Jun 96 PP 66-69

[Interview with Shusei Tanaka, Economic Planning Agency director general, by EKONOMISUTO chief editor Nobuhiro Shuto]

### **[FBIS Translated Text] Steady, Step-by-Step Recovery**

[Shuto] Views are divided on the present economic situation. The Bank of Japan [BOJ] seemed to view this spring's situation a little more decisively than in the past, on the ground that the Japanese economy is recovering on its own. On the other hand, the Economic Planning Agency [EPA] seems to be a little more cautious.

[Tanaka] In my opinion, the BOJ's views and ours are basically the same. But their ways of putting it in their own language might naturally produce little differences in nuance.

[Shuto] You mean the economy is on a recovery course, although it is slow.

[Tanaka] It is generally the same as described in the EPA's monthly economic report for May. Putting it in automobile terminology, the economy is cruising in the same gear, not shifting into a higher gear.

[Shuto] Because the government itself has misjudged the economic situation on several occasions, has it not become cautious about what it says?

[Tanaka] It may look that way, if you take a cautious viewpoint. It suggests, however, that there is a multitude of difficult problems. I do not think a 2.5 percent growth rate can be easily attained, and nobody knows how successful the efforts for structural reforms to that end may be. In addition, there are political factors that have to be taken into consideration. There are strong uncertainties, such as a confused political situation that would unfavorably influence the economy. Demand in the private sector is stronger than in June 1993, when the monthly report was generally understood to be an announcement of economic recovery. In both cases,

the point was and is the same: that the economic recovery has been supported by politically created demand in public sector investments. In 1993, however, the economy was assaulted by a series of events such as rapid rise in the yen's value in August, a political change when the Hosokawa cabinet was formed, poor agricultural harvests, and a big slump in the stock market. I think the economy is making a steady, step-by-step recovery this time.

[Shuto] Certainly the stock market has recovered and the high yen trend has been rectified, contributing to a favorable trend. I am not quite confident, however, that the current contributing factors, public sector investments and housing construction, will induce increased investment in plant and equipment and bigger individual consumption.

[Tanaka] Numerically speaking, investment in plant and equipment and individual consumption may also be heading for recovery. As for investment in plant and equipment, there were worries that non-manufacturing industries were weaker than manufacturing industries and that small- and medium-sized industries were weaker than big ones. But brighter aspects are noted these days. At least for the past two to three months, there have been no serious worries. The decrease in export volume has begun to level off, and it looks like a good trend. Even to the cautious eyes of analysts, the situation can be said to have entered a favorable phase.

[Shuto] Those who hold bullish views say that investment in plant and equipment will enter the renewal investment phase after completing adjustments in inventory investment and that the leading fields that will pull the economy along are the three new sacred treasures: personal computers, handy phones and car navigation systems. Do you think they have the power to open a new phase?

[Tanaka] Certainly the three sacred treasures are industries that will play a leading role, but a new pulling force must be created on top of them. I think deregulation will lay the groundwork for such an environment, and it is a role that the government has to play.

[Shuto] On the minus side are such problems as *jusen* and bad loans, which the Diet found no way to settle. Another problem is the continued drop in land prices. Some pessimists say that there can be no real economic recovery unless these problems are cleared up.

[Tanaka] If investment in plant and equipment is considered to play a major role in full-scale economic recovery, it naturally has to go hand in hand with effective land use. I do not think an economic recovery in earnest can be hoped for without effective use of

land. Unless this situation is witnessed — that necessary land becomes available to those who want that land, prospective sellers are willing to sell their land, and prospective buyers are willing to buy it — no power will be generated to push up the economy. It is undesirable for land transactions to be hampered by the expectation that land prices will fall.

[Shuto] In my opinion, some changes will naturally take place when land prices hit bottom.

[Tanaka] With regard to disposing of bad loans, it could be said that we have outgrown the stage when we discussed who would clean the room and how, with our arms folded; now we are in the early stage of using our hands to clean the cluttered room. That has helped create some bright prospects and has played a very big role in reducing opacity in the economy. When the situation develops to the stage where some prospects are seen, circulation of land will be more active than when future prospects are completely in the dark.

#### Unemployment Rate Should Be Closely Examined

[Shuto] You mean that a real economic recovery needs step-by-step solution of these problems.

[Tanaka] Removing obstacles to economic flow is one of the major tasks. Figuratively speaking, I compare it to a large bus stalled and deserted on a busy street, blocking the flow of vehicles; the flow of the economy has stalled. First of all, that bus has to be removed.

[Shuto] Do you mean that the problem of non-banks will be dealt with after that? By the way, with regard to the employment problem, the rate of totally unemployed, which once hit a high of 3.4 percent, has now returned to 3.1 percent. Do you think the employment situation is getting brighter, in spite of the discouraging trend in the unemployment rate for young people?

[Tanaka] A 3.1-percent rate of the totally unemployed was foreseen when the prospect of a 2.5 percent growth was established. That figure is a welcome phenomenon at this time, but there is a little bewilderment. The job-openings-to-applicants ratio has leveled off at 0.67 these days, and the totally unemployed rate was reduced to 3.1 percent from 3.4 percent at this early date. So detailed scrutiny is needed.

It is very encouraging if the trend of increased job offers in large cities reflects improvement in the employment situation in these areas.

[Shuto] The ratio of new college graduates getting employed will be reflected in the statistics after May, will it not?



[Tanaka] That is why we need to watch it carefully. That is why I am not relieved at the figure of 3.1 percent.

#### **Solution of Structural Problems Is a Priority**

[Shuto] On top of it, there are such problems as hollowing out and so on, and small and medium industries have shown weak recovery.

[Tanaka] But these problems can well be said to have improved in recent days. Despite various differences between different types of industry, between regions, and in scale, general improvement is being recognized.

[Shuto] Starting from the next fiscal year, the government is expected to abolish the so-called special tax cuts and raise the consumption tax from 3 to 5 percent. If that happens, I think the present economy, with a little bright prospect, will be stalled. Can they not be postponed, or can abolition of the special tax cuts be shelved?

[Tanaka] It will be something like spraying a mist on the economy with a vaporizer, not quite pouring water on it. Therefore, a flame that can resist being sprayed must be formed. If there were no financial problems on the government side, we could pour oil instead of water; but we cannot do such a thing easily, considering the financial situation. Heavy dependence on government financing could have such ill effects that structural reforms would not make any progress and demand in the private sector would not rise strongly.

Therefore, pouring oil at this stage will make the situation a little easier, but it could aggravate government financial difficulties. It is more important for us to go ahead with the plan, determined to solve such problems as structural reforms, disposition of bad loans, and so on, producing more favorable effects on the economy.

[Shuto] An extraordinarily low interest rate is in effect now. When government finances are suffering from such ills, does it not put a greater burden on monetary policy? In order to guarantee net business profits for the banks to clear up the bad loans, it is not easy to adjust the present interest rate — is that it?

[Tanaka] The Bank of Japan has not changed its stand of giving priority to recovery in the business climate, and therefore it will maintain the keynote of its monetary policy. In this connection, the bad loan problem is a subsidiary matter, not the main subject.

[Shuto] The government has predicted a 2.5 percent growth would be attained in Fiscal 1996. Overseas predictions are higher. The International Monetary Fund [IMF] recently announced its prediction that the Japanese economy will grow at a rate of 2.7 percent in the 1996 calendar year and at 3.1 percent in 1997. Foreign analysts in Japan also predict stronger growth than the

Japanese do. With respect to the real power of Japan, what do you think about their prediction?

[Tanaka] The other day I had a talk with Ms. Laura D'Andrea Tyson, the Council of Economic Advisers chair, who accompanied President Bill Clinton at the Tokyo Summit. I participated in the Japan-European Union ministerial conference. Both had an understanding that the exchange market will remain stable in the future. If the exchange market remains stable, it is easy to read the future.

As to the IMF prediction, I would like to ask, "Do you really think our future is going to be so bright?" Viewed from within, there are several reasons for apprehension, such as employment, individual consumption deeply connected with employment, problems related to small and medium-sized businesses, and so on. Besides, there are such factors as overseas business trends. I do not think things will go easy. I know the structural problems well, because I see them from the inside.

The other day, in my answers to the Diet deliberations, I said the following: Investment in plant and equipment and individual consumption play major roles in bringing economic recovery. But they remain on the sidelines, and the major roles are played by public investment and housing construction. In other words, demands created by Government policy are cast in major roles. But at the present stage, these supporting casts are gradually gaining strength, and we are working to prepare the environment so that the supporting casts of investment in plant and equipment and individual consumption can replace the main casts in the middle of the year. In anticipation of the scheduled abolition of special tax cuts and of a rise in the consumption tax rate, we have to accelerate the economy so that a little application of the brake will not stop the moving economy. That much of our task is heavy and big. With the approach of the 21st century, the next half-year or year will be a really important time for the Japanese economy.

#### **Strengthening Cabinet Adjustment Functions**

[Shuto] Let me ask once more about the director general's remarks on the role of the Economic Planning Agency, which all the newspapers treated in a box. As I understand, when the government makes an announcement on economic prospects, the Ministry of Finance and the Ministry of International Trade and Industry have a tug-of-war and settle down in the middle. In the process of producing a white paper on the economy, various ministries and agencies are reported to come out with approximately 1,000 requests for changes in wording. But did you think of the need to strengthen the EPA's independence in making judgments on the economy when you made that remark?

[Tanaka] That is right. I have long held that opinion, and now we apparently face that kind of phase. It seemingly came rather late. A big change is expected within two to three years. It is not the kind of story that I use to bash the Finance Ministry or the bureaucrats. When the economy was steadily growing and the scale of government finance rising, it was possible to proceed by satisfying the interests of the ministries and agencies concerned. In that respect, setting up a place for adjustment itself was the function of adjustment. There is no denying that it played a certain role.

But the state of affairs has completely changed, and in that sense it can be said that the administration is the farthest behind the times of all. Macro-policy is one of the nation's nerve functions. It is the leadership function that "makes policies public," rather than the adjustment function. In this connection, the intent of the government's economic policy with the prime minister at the core should be clearly reflected. The reality is, however, that the system is bottom-up. Economic policies are the product of accumulated opinions from the administration and industry. It is meaningless if the plan and policy are meant to justify these opinions. It did no harm when the economy was on a steady growth path. A reexamination is therefore expected to take place in the wholesale reorganization of the cabinet function for adjustment. I mean I will do it without fail, as a politician, not as the EPA director general.

[Shuto] Is there anything else you would like to accomplish while you are in the EPA?

[Tanaka] Where is our economic society heading, and in what direction is the world economy going? Take the example of APEC. There are these problems: Are the developing nations in Southeast Asia supposed to take the same path as United States and Japan, and is it all right?

First of all, a list of choices the economic world can take has to be clearly shown, to let the politicians and political parties make their selection. It will not be any good if economic policy does not become an issue in politics and election campaigns, as the cases of Europe and the United States may be. Otherwise, it will not become apparent where the responsibility lies. As for the bubble economy, from its birth to its collapse and the subsequent economic policy, individual responsibilities are questioned; but verification efforts are not sufficient as an economic policy.

#### **Japan: Trade Unions To Demand Stricter Enforcement of Employment Law**

OW0406123296 Tokyo KYODO in English  
1141 GMT 4 Jun 96

[FBIS Transcribed Text] Takamatsu, Japan, June 4 KYODO — The Japanese Trade Union Confederation (Rengo) said Tuesday [4 June] the powerful nationwide labor body will demand stricter enforcement of the equal employment law and elimination of Japanese citizenship requirements for jobs in local governments.

The labor body of 8 million members will also call for extending the mandatory retirement age from 60 to 65 by 2013, when the revised law only allow those aged 65 or more to receive the pensions, Jinnosuke Ashida, chairman of the nationwide labor body, told reporters.

The decisions were made at its policy-making central committee meeting, held here earlier in the day, according to Ashida.

Rengo officials said the current Equal Employment Opportunity Law is insufficient because the law only urges employers to make efforts to offer equal chances in recruit, employment, reshuffle, and promotion.

They said Rengo will call for the necessity of enforcing the stricter equal employment law which regulates equality between male and female workers by prohibiting discrimination.

The officials also insisted that regulation of the labor standard law, which protects female employees by limiting overtime work, should be eased to equalize the working conditions.

Concerning the Japanese nationality requirement in securing jobs at local governments, Rengo decided to call for terminating such a requirement to give non-Japanese the opportunity to become civil servants in the governments, except in the police and fire departments, they said.

Under the current situation, almost all local governments, except for a few prefectures and cities, prohibit the hiring of non-Japanese employees.

#### **Japan: Housing Builders Oppose Consumption Tax Hike**

OW0406122996 Tokyo KYODO in English  
1054 GMT 4 Jun 96

[FBIS Transcribed Text] Tokyo, June 4 KYODO — A group of home builders said Tuesday [4 June] it will oppose a scheduled consumption tax hike from 3.0 percent to 5.0 percent in April next year.

The Japan Federation of Housing Organizations said the tax increase runs counter to the government policy of supplying high-quality housing to the people.

The tax hike will cause a decrease in housing demand estimated at 5 trillion yen, adversely affecting recovery of the domestic economy, federation officials said.

They said the federation will ask the government in writing to keep the consumption tax unchanged for housing acquisition.

**Japan: Toyota, Nissan To Boost Exports From Overseas Plants**

OW0206031796 Tokyo KYODO in English  
0254 GMT 2 Jun 96

[FBIS Transcribed Text] Tokyo, June 2 KYODO — Toyota Motor Corp. and Nissan Motor Co. are expanding exports of finished cars from their manufacturing bases overseas, the NIHON KEIZAI SHIMBUN reported Sunday [2 June].

Toyota has recently halted shipments of its Camry passenger car from Japan to the Middle East and begun supplying the cars to the region from a production base in Australia, the business daily said.

Toyota also has started exporting its Carina E passenger car to Africa, the Middle East and Latin America from its British base, the newspaper said.

The company plans to expand exports from overseas plants in 1996 by 10 percent from the previous year to nearly 260,000 vehicles, the paper said.

Nissan has begun shipping its ad van commercial vehicle from Mexico to Japan at a monthly pace of 1,000 to 1,500 vehicles, the paper said.

Nissan's exports of its Sunny passenger car from Mexico to the United States will double to 30,000 vehicles in 1996, it added.

The automaker's British unit will expand exports of the March passenger car to Australia and begin Japan-bound shipments of the Primera car from this fall, the paper said.

As a result, Nissan's exports from overseas bases will rise from 340,000 vehicles in 1995 to 380,000-390,000 vehicles this year, it said.

**Japan: Hata Threatens To Leave Party Unless Reforms Make Headway**

OW0106130196 Tokyo KYODO in English  
1238 GMT 1 Jun 96

[FBIS Transcribed Text] Kushiro, Japan, June 1 KYODO — Former Prime Minister Tsutomu Hata hinted

Saturday [1 June] that he might leave opposition Shinshinto (New Frontier Party) unless intraparty reforms make headway.

"It is possible that I will take new political action unless the party makes resolute efforts to rebuild it to meet the people's expectations," Hata said in a speech and a news conference at a Kushiro Hotel in northernmost prefecture of Hokkaido.

He made the remark when asked about the possibility that he might leave the party and join Hajime Funada, former acting chairman of Shinshinto's General Affairs Council, in organizing a new group.

Funada, former Economic Planning Agency chief, has repeatedly expressed his intention to form a new party with Yukio Hatoyama, secretary general of New Party Sakigake, the smallest party of the tripartite ruling coalition.

Hata, however, said he will stay in the party for the time being to contribute to the promotion of the party's reforms.

**Japan: Shinshinto's Funada Urges Party Reform Before Next Election**

OW0206055596 Tokyo KYODO in English  
0538 GMT 2 Jun 96

[FBIS Transcribed Text] Tokyo, June 2 KYODO — Hajime Funada, a senior member of the main opposition Shinshinto (New Frontier Party), vowed Sunday [2 June] to do his best to reform the party before the next general election for the House of Representatives, and said he would not consider quitting the party until then.

Funada, 42, has suggested in a commentary he wrote for the June issue of Gendai (Modern Times) magazine that he may quit the party if efforts to shake it up fail.

Appearing on a Fuji Television program, he welcomed a tide of reform moves within the party that he said emerged following his dismissal last month as deputy head of the party's decision-making Executive Council.

"The time limit (for reform) is until the next general election," said Funada, who was in effect sacked from the post for supporting a proposal for the formation of a new political force made by Yukio Hatoyama, secretary general of New Party Sakigake, the smallest partner in the tripartite ruling coalition.

"We must give top priority to our party colleagues winning the next election. We must be cautious toward hasty action before the election," Funada said, referring to the proposal.



He said he will consider joining an antileadership group in the party led by former Prime Minister Tsutomu Hata in taking fresh political action in case the reform efforts fail.

If a new party is to be launched after the next election, at least 50 lawmakers must participate, he added.

In the magazine article, Funada has bitterly criticized party head Ichiro Ozawa's leadership, accusing his aides of overriding party executives in making policy decisions through "closed-door politics."

**Japan: Article Says Mitsubishi Treated Unfairly in EEOC Case**

OW0306124196 Tokyo SAPIO in Japanese 12 Jun 96 pp 98-100

[Article by journalist Kazumoto Ono: "Mitsubishi Motors Miscalculated and Fell Prey to THE WASHINGTON POST and the EEOC"]

[FBIS Translated Text] A little past 1100 on 7 May 1996, in front of the EEOC's (U.S. Equal Employment Opportunity Commission) branch office, National Rainbow Coalition leader Jessie Jackson (former Democratic Party presidential candidate) and National Organization for Women President Patricia Ireland held an emergency joint news conference.

"We demand that the EEOC not compromise in this sexual harassment suit. Until the issue is fairly resolved, we demand that economic sanctions be applied to Mitsubishi."

Surrounded by the press, Mr. Jackson was getting worked up.

"I cannot believe that, in front of this EEOC, as many as 3,000 Mitsubishi employees demonstrated for the dismissal of the lawsuit and that, moreover, the company gave the demonstration participants bus fare, per diem, and even lunch money. In the same way, I cannot imagine an American company located in Japan mobilizing its employees and picketing against the Japanese Government. The Mitsubishi action is a challenge directed against the American Government."

Next, President Ireland, looking serious, said: "The response by Mitsubishi to the complaints of ill treatment and sexual harassment is repugnant. The company has been attempting to conceal its bad management and has made a scapegoat of the women who complained, threatening that, because of them, sales will go down or they will be dismissed. This company is intimidating women, encouraging employee confrontation, and increasing hostility in the workplace."

"This weekend, we will begin a boycott campaign against Mitsubishi throughout the country. We will continue until the issue of discrimination against women is resolved."

The officials of the EEOC also talked in an animated way, and the time seems to be ripe for a boycott against Mitsubishi throughout the United States. The boycott is to be aimed primarily against automobiles, but they also alluded to a good possibility that it could come to include everything which bears the name Mitsubishi. By now, it can be said correctly that the United States is declaring war on Mitsubishi.

On 9 April, a lawsuit for the violation of civil rights was filed in the Peoria Federal District Court against the Mitsubishi Motors Manufacturing Corporation of America (MMMA), which is located in Normal, Illinois (about 200 kilometers southwest of Chicago), on the grounds that the company had ignored sexual harassment and discrimination against hundreds of female employees. The scale of the suit is unheard of: The demand is said to be a maximum of \$300,000 per person.

The EEOC complaints state that "in the Mitsubishi plant in Normal, the male employees (American) repeatedly touched the female employees and used obscene and lewd language. Also, there was an incident in which a sexually harassed woman who complained to the company was fired from her job." But the Mitsubishi side argued against this, claiming that "it is exaggerated. It was true that we had 89 cases of complaints of sexual harassment and discrimination in the last nine years. Of those cases, however, several did not have a sufficient basis, 10 men were fired in the vicious cases, and three men were demoted. The rest received counseling and warnings. We absolutely did not ignore sexual harassment."

Among the Mitsubishi employees as well, there are many who disagree with this suit. On 22 April, over 2,500 employees, arriving on 59 buses, gathered in front of the EEOC Chicago branch office and held a protest. But, unwisely, the company, out of Japanese-style paternalism, paid their per diem and even their bus fare. This turned out to be completely counterproductive, and the company was severely criticized because paying the money was interpreted as evidence that the whole thing was staged by the company.

The EEOC began its investigation in April 1994 and decided to bring a lawsuit at this time. But the chairman of MMMA, Tsuneo Oinoue, is furious because "the EEOC just would not listen to whatever explanation Mitsubishi had and started the suit in a totally one-sided manner." Why did it happen?

### "Sexual Harassment Education Was Also Given"

It is not the case that MMMA had been indifferent to the sexual harassment problem up until now. Oinoue describes the education the company gives to its employees.

"There are two kinds of sexual harassment education the company gives to the employees. One is directed to the American employees and the other toward the 70 Japanese staff members who are stationed here. For the Americans, at the stage when they are hired, we give one hour's training."

In the first 25 minutes, management representatives explain case studies and have the conversations together. Then they separate the newly hired people into groups, each group studies a case, and afterward they discuss them.

Then, they show a video.

After that, they discuss how to handle any unpleasant behavior.

They stress specifically how to respond, i.e., "I do not want to hear that kind of joke." Also they stress that, when one encounters such circumstances, one should not blame oneself, should not ignore the offender's action, and, in the worse case, should not try to handle the matter by oneself, and, instead, should seek help promptly.

After giving such a talk, they hand out a paper which states the company policy concerning sexual harassment and explain the meaning of its contents.

This states that "it is MMMA policy to maintain a work environment in which all employees are treated with dignity and mutual respect. Sexual harassment is not consistent with this policy." The definition of the sexual harassment, supervisors' responsibilities, honoring of privacy, method of correction and so on are explained in detail, and if sexual harassment does occur, the step-by-step process for bringing a complaint is also written in the paper.

Also, measures for rebuttal when one is accused of sexual harassment are provided.

As for the education given to the Japanese staff, it is first given in Japan. After they arrive in the United States, they are repeatedly informed of cultural differences. For example, even a calendar with a nude picture could possibly be interpreted as sexually harassing. Oinoue says that "it almost causes the Japanese to lose his nerve when so much is pounded in."

In contrast to this kind of claim by MMMA, THE WASHINGTON POST leads the offensive. The day af-

ter the suit was brought, the paper (10 April issue) reported on the suit conspicuously in its front page with the headline "EEOC Claims Hundreds of Women Harassed in Auto Plant." Three reporters and a Tokyo correspondent covered this incident and reported extensively on the women who were said to be sexually harassed. The Mitsubishi-bashing campaign went on almost daily.

The 17 April article, with the headline "Sexual Harassment at Auto Plant Divides Town" reported that "the top management of Mitsubishi gathered the employees and warned them that if sales drop as a consequence, there could be a possible dismissal of some employees. Mitsubishi has set up a free telephone in the company and encouraged a telephone offensive aimed at the mass media and congressional representatives saying that the 'accusation is false.'" The Mitsubishi-bashing kept getting stronger.

The fact was, however, that the paper did not report at all that Mayor Jessie Smar of Bloomington, which is adjacent to Normal, also had taken part in the protest demonstration against the EEOC in Chicago. The Normal mayor had said, "if I did not have an unavoidable schedule conflict, I would have joined the demonstration." Oinoue is indignant, saying that "it is a made-up story by THE WASHINGTON POST that the town was divided."

He also says that "I sense malice against Mitsubishi from THE WASHINGTON POST's article."

When I asked one of THE WASHINGTON POST's reporters, Frank Swaboda, who had been covering this incident, he said, "The reason our articles have been one-sided is easy to understand. It is because MMMA Chairman Oinoue will not talk to us," as if to retaliate against his non-response. Moreover, he did not conceal the reason for their Mitsubishi-bashing, saying that, "unlike previous concepts of discrimination, the concept of sexual harassment is relatively new, so it has news value."

Also, even after negotiations had quietly started, the paper was publishing false articles such as "Mitsubishi Does Not Respond to Negotiation with the EEOC." I, as a journalist, could not help but wonder about such an act by the paper.

It often happens that the mass media report in an exaggerated manner, but it is unusual to see such a great discrepancy with reality as is seen in this case. Swaboda also said that "this is a test case for the entire country. Of course, the name of Mitsubishi does have some bearing. Japanese enterprises operating in the United States should honor U.S. laws."

Chairman Oinoue did not really conceal his regret, saying that "I feel we were entrapped this time. We made a big blunder in our handling of the mass media at the beginning, and it has been affecting things ever since."

"It was not that the Japanese had committed any sexual harassment in this case, yet the issue has slipped out of our hands. There is no other way but to say that Mitsubishi was made a scapegoat."

#### "Trapped by the EEOC's Search For a Target?"

The director of the MMMA's Public Affairs Division, Gary Shultz, says that the EEOC suit was brought about with political motives.

"The EEOC spends a great deal of money, in spite of its small staff."

"Also, the budget for the commission has been reduced, and it has come to be criticized as inefficient. So it must have needed the Mitsubishi scapegoat, a Japanese business."

Oinoue also said that "just recently I went to Washington D.C. and informally asked around among various people concerned. Everyone agreed that 'for the EEOC, which has been under criticism for having a bad success rate, the 'Mitsubishi incident' is a fortuitous case, on which its survival can ride.'"

It is true that some people in Congress also question the EEOC's very existence. They wonder if there might be a more efficient way to deal with problems than through the EEOC.

The vice chairman of the EEOC, Paul Igasaki, who is a third generation Japanese-American, frankly admitted such criticism and said that "just as you said, of course we must demonstrate that we are doing the job we should be doing. But you are exaggerating if you say that we are doing it for self-promotion."

The EEOC, where as many as 100,000 not-yet dealt-with complaints are piling up, just declared in February that it would "concentrate on group cases rather than on individual cases." Now the Mitsubishi case has become an opportune target.

Recently, the EEOC, without any explanation, withdrew a suit against Hooters of America, which hires only women. In other similar cases, in the beginning it threatened group suits, but in the end did not carry through.

The Clinton Administration also kept naming its chairman for 15 month terms and had absolutely no expectations for the EEOC.

Just as people suspected, the stakes for the organization drove the EEOC to target MMMA.

If the number of sexual harassment incidents which had taken place at the MMMA plant is much lower than the published EEOC's figure, why were the incidents blown out of proportion and, ultimately, why did they turn all of America against Mitsubishi?

First, MMMA did not have good crisis management. In such time, public relations (PR) firms can demonstrate their effectiveness. In contrast to the ones in Japan, their influence in the United States is said to be so great that they can determine a company's future image.

I think MMMA should have retained a PR firm, which would have been good at crisis management. It had absolutely no countermeasures when the suit was suddenly brought against it.

As for the employees' demonstration in front of the EEOC, it was also a great mistake to pay per diem out of paternalistic consideration. Americans hate such practices. It led to further damage of MMMA's image. The participants at the demonstration returned their per diem, and the company donated it to the Red Cross. But it was too late. They should have coped with the incident honestly and forthrightly.

Americans have a tendency to become abnormally severe when Japan is involved. The Japanese enterprises which operate in the United States cannot ignore the management and handling of crises simply because they do not do it well. I think it is important that other enterprises which have gone into the United States not consider this a fire on the other side of the river.

#### Japan: Miyagi Governor Asks for Information on Live-Fire Drills

OW0506093096 Tokyo KYODO in English  
0857 GMT 5 Jun 96

[FBIS Transcribed Text] Tokyo, June 5 KYODO — The governor of Miyagi prefecture in northern Japan met Wednesday with top defense agency officials to request more information on the proposed alternate site in the prefecture for live-fire drills that the U.S. military currently conducts in Okinawa.

Shiro Asano, accompanied by three heads of concerned villages and towns, called on Defense Agency Chief Hideo Usui and Defense Facilities Administration Agency Chief Masuo Morotomi at the Defense Agency and asked for information on the drills.

While the three heads submitted a petition against the planned transfer to Ojojigahara, one of several locations listed as the alternative site for the live-fire drills, Asano



said, "Although I'm not in favor of the transfer, I didn't say no to them, because what we need is more information."

Asano quoted Usui as saying the agency is planning to sound out the local government bodies concerned around August and apologized for the agency's failing to provide information.

The U.S. forces' practices are currently held in central Okinawa, southwestern Japan, over prefectural highway 104. Ordinary traffic on the highway is halted during the drills.

### North Korea

#### DPRK Article Condemns Countries Possessing Nuclear Weapons

962C0058A Pyongyang NODONG SINMUN  
in Korean 12 Feb 96 p 2

[Report by Won Kyong-ho, in "Today's World" column: "Nuclear Powers' Two-Pronged Tactics"]

[FBIS Translated Text] France announced on 30 January its decision to discontinue the nuclear testing. After carrying out six rounds of testing since June last year despite international protests and condemnations, France abruptly declared a "final end" to its test program, stating that it would now move toward a universal discontinuation of nuclear tests.

France's move has drawn widespread repercussions in international communities. Many nonnuclear nations, while taking it as a matter of course, are demanding that nuclear powers get on with serious efforts for a comprehensive nuclear test-ban treaty [TBT] promptly and take specific measures for the complete dismantling of nuclear weapons. Meanwhile, some nuclear powers including the United States, while expressing their "welcome" for the French decision, are talking about the signing of a comprehensive "TBT" within this year. The U.S. and French presidents, in their statements in early February, said that they will make efforts to make this year a "year for signing a final version of a TBT," urging other nuclear states to cooperate.

However, such moves of the United States and some other nuclear powers are drawing wariness, rather than welcome, of nonnuclear nations.

It is because their call for a TBT is for their own nuclear monopoly.

The great leader Comrade Kim Il-sung taught:

"The mainstream of our times continues to flow along the path of independence and self-reliance, peace and progress. But there is also a counter

current of domination and enslavement, war and destruction."

It is the unanimous desire of the world's peace-loving people to live in a war- and nuclear-free world. If their desire is to materialize, nuclear weapons should be dismantled completely. However, the United States and some other nuclear powers, while calling for a "TBT," are using perverse tactics behind the scenes to gain the nuclear superiority. They are trying to dodge the dismantling of their nuclear weapons by hook or by crook.

First of all, they are trying to justify the existence of nuclear weapons, describing them as a "war deterrent." In a session of the International Court of Justice on the illegality of the use of nuclear weapons, held in November last year at the request of many international organizations and countries, nuclear powers argued that the use of nuclear weapons is not illegal but legal, asserting that nuclear weapons as a "war deterrent" and "means of retaliation" are useful for preserving peace and security. At the same time, they argued that the possession of nuclear weapons should be confined to the few "authorized" nations.

This clearly shows that while portraying themselves as something like guardians of peace and security, they are scheming the continued use of nuclear weapons as a tool of domination and blackmail against nonnuclear states.

Under the pretext of "flexible response," some nuclear powers refuse to rule out the possibility of their using nuclear weapons, asserting that they should be able to use them in both nuclear and conventional warfare. To make it worse, some of them even renounced the "no-first-strike principle" that had been abided by for decades, despite the fact that the Cold War is over.

Still, they would rant and rave as if they were endeavoring for the dismantling of nuclear weapons, citing the U.S.-Russia Strategic Arms Reduction Treaty I and II. But the fact is that even if these treaties were complied with without a hitch, there will still be 20,000 nuclear weapons in the world in the year 2003.

A "freeze on nuclear testing" does not mean that these nuclear weapons will disappear automatically; there is nothing nuclear powers lose with the freeze. It is because they have achieved all their purposes in the tests they have conducted already. Basically, the purpose of testing is to verify the efficiency of a new-type nuclear weapon after its development and completion, maintain the safety and reliability of existing nuclear weapons, and to measure the destructiveness of the detonation. Nuclear states have conducted some 2,000 rounds of testing to date. Thus, through their tests so far, most of

the nuclear powers, including the United States, have completed their preparations for a simulated testing. After all, even if a "TBT" is signed, it only means that they cannot do their testing openly. But the fact is that they still can attain their test purposes with no problem.

Therefore, the United States and some other nuclear powers, while talking about an early "TBT" conclusion, are bent on propaganda as they showed their will for the dismantling of nuclear weapons. The problem is that although the "TBT" should lead to the complete dismantling of nuclear weapons, the United States and other nuclear powers are wary of that eventuality. In the recent period alone, they have obstinately opposed a proposal presented by developing nations, such as India and Sri Lanka, for a firm linkage—achieved on a time-limit basis—between negotiations for the complete dismantling of nuclear weapons and a TBT.

As is known, nonnuclear states approved in May last year the extension for an indefinite period of the Nuclear Nonproliferation Treaty. Also, nuclear-free zone campaigns are being pressed on vigorously in South Africa, South Asia, and many other regions. All this shows the unanimous, global desire of the progressive mankind for a harmonious, peaceful life in a nuclear-free world. The United States and other nuclear powers should not disregard the world's will for peace, but rather embark on the path to the complete dismantling of nuclear weapons as soon as possible.

As long as the nuclear powers fail to take meaningful measures with a will and resolve against manufacturing nuclear weapons and for dismantling them unconditionally, the danger of nuclear war and nuclear proliferation will not decrease. Nuclear powers should, first of all, give nonnuclear nations an unconditional guarantee for nonuse of nuclear weapons against them. And they should promptly take the path to the signing of a no-first-strike treaty and a treaty for a total ban on the manufacturing and use of nuclear weapons. Also, they should come up with a timetable for the complete dismantling of their nuclear weapons.

Especially, with regard to the issue of creating nuclear-free zones, it is important for the United States and other nuclear powers to respect the position of the proposed zones. That is the only way to remove the skepticism among nonnuclear nations over the will of nuclear powers for the complete dismantling of their nuclear weapons.

If nuclear powers should continue to challenge the demands of nonnuclear states and cling to their two-pronged tactics, they will find themselves under the fire of stronger protest and condemnation from the world's progressive mankind.

# **DPRK: Choe Tae-pok Speaks at Anniversary Meeting**

SK0506074696 *Pyongyang Korean Central Broadcasting Network in Korean* 0904 GMT 4 Jun 96

["Report" by Choe Tae-pok, candidate member of the Central Committee of the Political Bureau of the Workers Party of Korea and secretary of the party Central Committee, at a central report meeting held at the April 25 House of Culture in Pyongyang to mark the 40th anniversary of Kim Chong-il's opening of the course to the Mt. Paektu revolutionary battle sites — live]

[FBIS Translated Excerpt] Comrades. Today, when all party members and working people are vigorously accelerating the march to complete the chuche revolutionary cause following the leadership of the party, and are raising the red flag of the revolution, we mark the significant 40th anniversary of the great leader [widaehan yongdoja] Comrade Kim Chong-il's opening of the course to the revolutionary battle sites around Mt. Paektu. In June 1956, the great leader Comrade Kim Chong-il began the exploration of the revolutionary battle sites around Mt. Paektu, and personally led an exploration team to open the course for the first exploration march. The exploration is historically significant because it has strongly armed the party members and working people, as well as the new generation, with the revolutionary tradition of our party, and has accelerated the accomplishment of the chuche revolutionary cause by brilliantly embodying tradition. [applause]

The pioneering of the course to the revolutionary battle sites around Mt. Paektu provided a milestone that marks an epochal turning point in resolutely defending and safeguarding the glorious revolutionary tradition of our party founded by the great leader [widaehan suryongnim]; in purely inheriting and developing tradition; and in persistently continuing the lifeline of our revolution.

On this historic day, all party members and working people are filled with great national pride and the revolutionary confidence of upholding the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji]—who has defended, inherited, and developed our party's revolutionary tradition with energetic ideological and theoretical activities as well as great revolutionary practices, and who has provided a firm basis for victoriously advancing and brilliantly completing the chuche revolutionary cause—at the forefront of the party and the revolution. [applause]

Comrades, defending, safeguarding, and purely inheriting and developing the revolutionary tradition is an issue



of vital importance that decides the victory and destiny of the revolutionary cause. The experience and lesson of history tells us that when the party of the working class purely defends, inherits, and develops the revolutionary tradition, then the revolutionary cause cultivated by the leader [suryong] will be defended and victoriously advanced from generation to generation; if not, the lifeline of the revolution will be severed and the socialist gains won by blood will be ruined.

Inheriting and developing the revolutionary tradition means defending the guiding ideology founded by the leader [suryong], who embarked on the revolution, and defending the revolutionary achievements that have been registered during the course of embodying and accomplishing the ideology, thereby unceasingly developing the revolution on a high level. Since the first day it started building a new society, our party has regarded the issue of resolutely defending, safeguarding, and purely inheriting and developing the revolutionary tradition from generation to generation as a basic question that will decide the victory of the revolutionary cause. The party has continuously paid great attention to the issue.

The revolutionary tradition that our party and people should inherit is the revolutionary tradition of *chuche*, which the great leader [widaehan suryong] Comrade Kim Il-song accomplished during the course of accelerating the unprecedentedly arduous Korean revolution and the course of leading the revolution to victory.

The great leader [widaehan suryong] Comrade Kim Il-song embarked on the Korean revolution under the revolutionary flag of the *chuche* idea during the darkest days of Japanese colonial rule. He organized and led the anti-Japanese revolutionary struggle to victory, and during the course, founded the glorious revolutionary tradition which has become the ageless foundation of our party and revolution.

Mt. Paektu, in which the great leader Comrade Kim Il-song pioneered the *chuche* revolutionary cause holding aloft the torch of national liberation, is the sacred mountain of the revolution that symbolizes our party's revolutionary tradition. The revolutionary spirit of Paektu is the soul of our revolution; and the lifeline of our revolution is linked to Mt. Paektu.

It was an event of great significance in arming the DPRK people with the revolutionary spirit of Paektu and in inheriting the revolutionary tradition of Paektu that the great leader [yongdoja] Comrade Kim Chong-il—who has safeguarded and defended the revolutionary tradition generation after generation, cherishing the lofty will to purely inherit and develop the lifeline of the Korean revolution, namely, the lineage of *chuche*,

which has been pioneered by the great leader Comrade Kim Il-song in his early days, and who is deeply interested in indoctrinating the new generation with this revolutionary tradition—opened the course of the exploration march around Mt. Paektu. [applause]

The first exploration march to the revolutionary battle sites around Mt. Paektu—which was conducted in the mid-1950's when we had to resolutely safeguard and defend our party's revolutionary tradition while surmounting the grave, difficult situation created before the revolution due to the maneuvers by the enemies at home and abroad and to vigorously accelerate socialist construction, holding aloft the banner of the revolutionary tradition—was a historic march that could be organized only by the great leader [yongdoja] Comrade Kim Chong-il who has defined it as his lifelong cause to advance the Korean revolution along the single road of *chuche* with the mettle of Paektu. [applause]

The pioneering of the course to the revolutionary battle sites around Mt. Paektu, which was opened personally by the respected and beloved Comrade Kim Chong-il at the age of 14, was the course of great inheritance demonstrating his indomitable will and faith to firmly walk along the march route to Paektu, which the great leader Comrade Kim Il-song traversed while breaking through the long bloody struggle against the Japanese for 20-odd years after embarking on the road of revolution, and cherishing the great will for national liberation. [applause]

The great leader Comrade Kim Chong-il victoriously opened the road for the first exploration course to the revolutionary battle sites with his firm mettle of Paektu and iron-like will. The great leader Comrade Kim Chong-il has left the glorious traces on this road and registered the noble revolutionary achievements that will be immortal along with the history of our party.

During the days of pioneering the exploration course to the revolutionary battle sites around Mt. Paektu, respected and beloved Comrade Kim Chong-il engraved deeply in the hearts of members of the exploration team the attitude and position that they should assume in upholding the great leader Comrade Kim Il-song, thus demonstrating the brilliant model of a revolutionary view of the leader [suryong].

The attitude and position of revering with genuine loyalty the great leader Comrade Kim Il-song as the leader [suryong] of the revolution in the era of independence and upholding him with loyalty have been established; and the mighty ideological and theoretical weapon that has become the guideline in safeguarding and defending the leader's [suryongnim] absolute authority has



been provided since the respected and beloved general brilliantly elucidated the principled problems arising in solemnly and respectfully upholding the statues of the fatherly leader and in defending and glorifying the leader's [suryongnim] immortal revolutionary achievements. [applause]

The respected and beloved Comrade Kim Chong-il has defined the historic position of Mt. Paektu, the sacred mountain of revolution where the chuche cause began. Based on this, he made the first exploration march to revolutionary battlefields headed for Mt. Paektu, and saw to it that the exploration course followed Mt. Paektu's ridge. In doing so, he made the exploration march a process through which to demonstrate the firm will of our party and people to defend and inherit the revolutionary tradition of Paektu.

This was a solemn declaration that our party's revolutionary tradition is the greatest and a proud tradition, and that for us, there cannot be any other tradition but the revolutionary tradition of Paektu, the chuche revolutionary tradition. [applause]

The course for exploring Mt. Paektu revolutionary battlefields has been widely open ever since, and a firm guarantee was provided at the time for permanently glorifying over all generations our party's glorious revolutionary tradition along with that of Mt. Paektu.

The first exploration march to revolutionary battlefields near Mt. Paektu was a historic march which opened the bright future by the great leader [yongdoja] Comrade Kim Chong-il with his inherent outstanding wisdom and through his creative contemplation. We have therefore been able to unswervingly defend and protect the revolutionary achievements of the great leader [suryongnim] generation after generation. [applause]

From the early days, the respected and beloved Comrade Kim Chong-il paid deep attention to indoctrination work carried out through revolutionary battlefields and sites of the revolution's historic relics. In the course of pioneering the road of exploring revolutionary battlefields, he ensured that revolutionary battlefields and sites of the revolution's historic relics that contain the immortal revolutionary achievements of the great leader [suryongnim] be actively discovered and properly managed without a slight degree of wavering, no matter what wind may blow. He also saw to it that the exploration for such battlefields and sites be organized and carried out regularly and broadly. He thus enabled party members, working people, and new generations to more keenly realize the revolutionary achievements of the leader [suryongnim] through vivid and fresh historic facts and materials.

Following the ideas put forward by the respected and beloved general, exploration work for revolutionary battlefields in areas around Mt. Paektu has been actively carried out as whole-party and all-society work. As a result, our people and the new generations more vigorously accelerated the struggle to accomplish the chuche revolutionary cause by invariably carrying on the march to Mt. Paektu.

Indeed, with its immortal greatness and great vitality, the revolutionary achievement made by great leader [yongdoja] Comrade Kim Chong-il in opening the road of the first historic exploration march to revolutionary battlefields is brilliantly shining in the history of our party's glorious struggle and in the annals of chuche revolutionary cause. [applause]

The respected and beloved Comrade Kim Chong-il, who pioneered the road of exploration marches to revolutionary battlefields in the Mt. Paektu area, has been energetically leading the work of purely inheriting and developing our party's revolutionary tradition for the 40 years from those historic days to today. In doing so, he provided a firm guarantee for the victorious advance of our revolutionary cause.

The party's ideological work to succeed and develop the revolutionary traditions in accordance with the reality in which our revolution is constantly being intensified to a higher stage, is considered an important party work by the respected and beloved Comrade Kim Chong-il [kyongaehanun Kim Chong-il tongji]. He presented the slogan "Let us produce, learn, and live in the style of anti-Japanese guerrillas," and has energetically led the people to thoroughly embody the revolutionary traditions in all sectors of social construction and social life.

Based on his keen insight into the demands of the developing revolution, respected and beloved Comrade Kim Chong-il published the immortal classic work "Let Us Brilliantly Succeed and Develop Chuche Revolutionary Traditions" in December 1991. By doing so, he has prepared a programmatic guidance that should be firmly adhered to in the work of protecting and glorifying our party's glorious revolutionary traditions, and has enabled the work to be carried out more actively at a higher stage.

Thanks to the grand idea and extraordinary leadership of the great leader [yongdoja] Comrade Kim Chong-il, statues of the leader [suryongnim] were built in the time-honored sacred places of revolution which bear the great leader's [suryongnim] immortal revolutionary history; many great monuments were constructed grandiosely; many slogan-documents were excavated and carbon-dated over a wide range of land, including the northern

part of Korea. All these have made it possible to educate party members and working people and further glorify our party's revolutionary traditions. [passage omitted]

Thanks to the existence of the glorious revolutionary tradition, which was created in the middle of the flames of an unprecedentedly arduous and complicated revolutionary struggle and which has been deepened and developed in them, our people have been able to vigorously advance, firmly uniting as one mind around the party and the leader [suryong], even with the situation in which our country is divided and the enemies are constantly perpetrating obstruction maneuvers, and our revolution has been able to enjoy victory after victory along the track of chuche without the slightest degree of deviation.

The whole country is filled with the revolutionary spirit of Paektu and all of the people are taking on the appearance of the great leader [suryong] and the great leader [yongdoja]. This is precisely the grand reality of our fatherland in which the chuche revolutionary cause has been extensively embodied, and herein lies the source of the invincible might of chuche Korea, which is demonstrating the grand appearance of socialism, flying high the red flag of the revolution, while surmounting all sorts of challenges and trials of history. [applause]

Indeed, the revolutionary tradition of our party is the greatest and most glorious tradition which cannot be found anywhere else, and it is precisely the glory and happiness of our party and our people to have such a revolutionary tradition. [applause]

At this significant meeting marking the 40th anniversary of the pioneering of the exploration course to the revolutionary battle sites around Mt. Paektu, I extend eternal and immortal glory to Comrade Kim Il-song who created our party's glorious revolutionary tradition amid the flames of the arduous anti-Japanese revolutionary struggle and who has led the revolution and construction to victory by embodying the tradition, together with the infinite reverence and the burning minds of loyalty of all party members and people. I also extend the greatest glory and the warmest gratitude to Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, who is wisely leading the struggle to consummate to the end, the chuche revolutionary cause generation after generation by resolutely safeguarding, defending, and inheriting and developing with purity intact the revolutionary tradition created by the fatherly leader [suryong]. [applause] [passage omitted on Choe Tae-pok's stressing the need to strengthen the indoctrination work of the revolutionary tradition among the people and urging the people to arm themselves with the revolutionary tradition]

We must vigorously organize and carry out the work of journeying to revolutionary battle sites and historic revolutionary sites across the country, placing an emphasis on Mt. Paektu, thus endlessly strengthening the work of indoctrination in the revolutionary tradition to ensure that all party members, workers, and those of the new generation have a full understanding of the fundamentals of our revolution. We must also fill the entire country's revolutionary spirit to uphold the red banner and vigorously accelerate socialist construction.

Because of the South Korean puppet clique's reckless maneuvers to provoke a war, the situation in our country has been continuously aggravated. Even at this hour, as U.S. ultrarightists inspire them, the South Korean puppets are staging frantic exercises to wage a war of aggression [kwangnanjogin pukchim chonjaeng yonsubul pollimyonso], deliberately intensifying the situation in our country and recklessly running amok to ignite the fuse of war. History, however, clearly shows that this is a mere desperate wriggling by those who face ruin, and that only corpses and death await the war maniacs.

Officers and men of our People's Armed Forces and all the people are keenly watching every movement of the enemy, and have achieved a full combat mobilization posture [mandanui chontu tongwon taese] to cope with any unanticipated situation. If the U.S. imperialists and South Korean puppet clique provoke a war of aggression against us after all, in defiance of the trend of the era, then our Army and people, as they did in the past, will annihilate and mop up all the aggressors and resolutely defend the socialist fatherland and the revolutionary accomplishments to the end by displaying the revolutionary spirits of Paektu and a one-is-a-match-for-100 fighting spirit [paektuui hyongmyong chongsingwa ildangbaegui chontu chongsinul parwhihayo chimnyakhadurul mojori kyongmyol sotanghago sahoejuui chogukkwa hyongmyongui chonchwimurul kkukkaji sasuhalgossimnida]. [applause]

Our revolutionary march, which started in the forests of Paektu, has not ended; the revolutionary road we should walk along is long and thorny. We must boldly march forward and must resolutely fight to complete the chuche revolutionary cause with the same strong will and indomitable fighting spirit possessed by our fallen anti-Japanese revolutionaries to (?crush) the enemy, even if it means dying a million times.

No force in the world can stop the solemn march of our people, who are resolutely continuing the march of Paektu under the ever-victorious leadership of the respected and beloved Comrade Kim Chong-il, a genius

of revolution and construction and a great military strategist. Victory will always be ours. [applause]

Let us all strongly unite around the party Central Committee led by the respected and beloved Comrade Kim Chong-il [kyongachanun kim chongil tondjirul subasurohanun]; uphold the banner of the chuche idea, the red banner of the revolution; and vigorously march forward to achieve the reunification of the fatherland and complete the chuche revolutionary cause. [applause]

Long live the revolutionary ideology of Comrade Kim Il-song, the great leader of our party and our people! [applause]

Long live the Workers Party of Korea [WPK], the organizer of all victories of the Korean people! [applause]

**DPRK: Editorial Promotes 'Arduous March' for Socialist Construction**

962C0049A *Pyongyang NODONG SINMUN*  
in Korean 7 Feb 96 p 1

[Editorial: Let Us Live and Fight with the Spirit of the 'Arduous March']

[FBIS Translated Text] The victory of the revolution exists in that place where the great revolutionary spirit reigns supreme.

Our people today exhibit a strong struggle ethos to live and fight in the spirit of the "Arduous March." This is a manifestation of our people's strong revolutionary spirit, which impels them to follow the leadership of the party and the leader and to punch boldly through any hardship, and this is a manifestation of their immutable conviction to hold aloft the red flag and to complete to the last the great revolutionary cause of chuche that was pioneered amid Paektu's dense forests.

The spirit of the Arduous March is that spirit unwaveringly to defend the Choson revolution's jugular vein in the most difficult of circumstances and under the leadership of great leader (suryong) Comrade Kim Il-song. The spirit of the Arduous March is the spirit of protecting the leader in the most exceptional way, the spirit of resolute self-reliance, the spirit of conquering difficulties, and the spirit of revolutionary optimism.

Let us live and fight with the spirit of the Arduous March. This is the demand of our revolutionary progress and is today the struggle slogan our party and people must hold aloft and pursue.

Great leader (yongdoja) Comrade Kim Chong-il said.

"The Revolutionary spirit that flared amid the dense forests of Paektu is the most precious of assets and will glorify generation after generation in this land. It is an

immortal banner that guarantees infinite prosperity for our people"

The revolutionary spirit created in the pioneering period of the revolution is a precious ideological and mental asset that the people of succeeding generations must inherit forever.

The people's noble ethic and duty is to maintain intact the revolutionary spirit so highly exhibited by our revolutionary predecessors despite the passage of time and the change of generations.

Almost 60 years have passed since the Arduous March under great leader (suryong) Comrade Kim Il-song's leadership. Our people have not forgotten this rigorous march even today because it was on this very trek that the paradigm for the communist revolutionary spirit was created.

The Arduous March was the most rigorous struggle in the 20-year history of the anti-Japanese revolutionary struggle. During the more than 100 days of the Arduous March from Nanpaitsu to Peitaitingzu, the anti-Japanese revolutionary fighters overcame ordeals that are difficult for humans even to imagine, while at the same time they defended with their lives the revolution's paramount leadership, opening a new transition in the Choson revolution. The exalted and prodigious vitality of the Arduous March spirit derives from protecting to the death the leader and defending to the death the Choson revolution under the most difficult of circumstances.

Hardship is the companion of revolution, and the victory of the revolution is achieved by facing and punching through difficulties. The Arduous March will continue so long as revolution and struggle exist, and the heroic poetry of that era will never become outmoded. To arise and return to the advance a thousand times after falling a hundred times is the revolutionary spirit that lives today and will live tomorrow and forever.

Today we march staunchly forward to complete the great chuche cause that was pioneered amid Paektu's dense forests under the leadership of great leader (suryong) Comrade Kim Il-song.

More now than at any other time, the prevailing circumstances and the immense revolutionary cause we face demand that we live and fight with the spirit of the Arduous March.

The spirit of the Arduous March — that is the powerful ideological and mental weapon that enables our party and people to defend to the last the red flag of the revolution.

We must not discard the red flag if we are to pursue the revolution to the last.



The Arduous March was a struggle to preserve the red flag, the symbol of communist dignity, and the spirit of the Arduous March was the most sublime manifestation of the ideology of the red flag. In that place where throbs the pulse of the Arduous March spirit, let those cowards who want to split, split; our conviction and resolve to defend the red flag to the death shall reign supreme.

Our party and people now construct socialism in the most difficult circumstances. The struggle to shatter the capitalists who try to isolate and suffocate our country to death and to shatter the villainous challenges and obstructions of enemies of the revolution is a struggle to preserve the red flag. We must arm all the people with the spirit of the Arduous March if we are always to win 100 times in 100 battles in this sublime struggle.

The spirit of the Arduous March is the resolute revolutionary spirit: to defend to the last the oath sworn before the red flag, the indomitable spirit not to abandon the principles and the conscience of the revolutionary, no matter what the circumstances. Sustained by this spirit, our people have absolutely nothing to fear even when fighting the formidable enemy, which is imperialism, and they will not waver in the face of any gale. Our red flag is the sublime emblem of the life-long trials of the great leader; our red flag is the ensign of struggle and the advance that throbs with the convictions of dear General Kim Chong-il. When we continue to live and fight resolutely with the Arduous March spirit, our revolutionary red flag shall fly high forever and the lineage of chuche shall continue unswervingly.

The spirit of the Arduous March is that mental power that causes us to manifest highly socialist Choson's mettle and to achieve a great upsurge in construction and the revolution.

We must have a strong revolutionary spirit if we are to execute successfully the enormous task of socialist construction.

The mettle of socialist Choson is indomitable; not only will it not break but it will not bend; it is a mettle of ceaseless struggle and the advance, the mettle of innovation.

The Arduous March spirit is the daring spirit of the assault, to occupy at any cost any difficult objective whatever, is the spirit of self-reliance that creates something from nothing, and is the spirit of fortitude. This spirit throbs in our people's hearts, causing them strongly to manifest peerless devotion and courage in pursuing socialist construction, creating new miracles and performing glorious exploits without surcease. The true path for the entire party, the entire military, and for all of the people is to pursue socialist construction

via this spirit of revolution, to harden the three bastions of our-style socialism into invincible fortresses and to manifest socialist Choson's mettle, proudly, honorably, and forcefully.

The traditional struggle ethos of our party and our people is to use the spirit of the Arduous March to open a path for the revolution, facing and punching through every hardship.

Our people fought and won the harsh revolutionary war and since the war manifest the victor's glory in the great Chollima advance, applying the indomitable revolutionary spirit of our revolutionary predecessors who fought amid Paektu's dense forests. The ranks of our revolution's Arduous March swelled a hundred thousand times in this period, and our people's inherent revolutionary temperament honed the spirit of the Arduous March.

Victory lies in our mental power. That person who breathes the spirit of the Arduous March, who ponders it, who lives and fights as it dictates, that person is the true loyal retainer and indomitable revolutionary wanted by our party. All party members, the officers and men of the People's Armed Forces, and the people must honor the party's entreaty and employ the spirit and vitality of the Arduous March vigorously to launch into a general advance to exalt 1996 as the year of grand transition, the year of auspicious fortune.

If we are to live and fight via the spirit of the Arduous March, more than anything else we must embrace strongly an adamant conviction in the victory of the revolution.

Revolutionary conviction is the lifeline of a revolutionary people. If conviction alone is strong, they have nothing to fear from the charge of a mighty enemy 10,000,000 strong, and there is nothing they cannot do, no matter how immense the task.

The Arduous March was a struggle in which victory was achieved by blazing a way through the enemy with revolutionary conviction. Had the anti-Japanese revolutionary force not possessed the conviction that victory lay solely in absolute trust in and obedience to the great leader (suryong) Comrade Kim Il-song, they would not have been able to punch through the encircling enemy's tightening net to pioneer the path of the fatherland's advance, would not have been able to etch indelible victories and glorious exploits at every step.

The revolutionary conviction to trust one's leader absolutely and want to obey him to the last — this is the essential nucleus of the spirit of the Arduous March and the source of inexhaustible vitality.

The revolutionary conviction our people must possess today is the absolute faith that we shall achieve certain victory so long as we have great leader (yongdoja) Comrade Kim Chong-il; it is the adamant will forever to unite their fate — whether to live or die — with the general's.

All party members and workers must comprehend profoundly the greatness of the dear general who from the vanguard leads the Choson revolution with the rare prescience of 1000-league discernment, with a will of steel, and with estimable leadership. Never can there be even a scintilla of loss of faith in the revolution's victory, of wavering on account of the trends of the day on the part of our people who pursue the revolution holding in high reverence as foremost in party and revolution the peerless master, the heroic general of steel.

Elevating even higher our faith in certain victory, we must fight resolutely so long as we have the great leader (yongdoja), a great party, and an invincible military, so long as we have our hugely powerful, one-hearted solidarity and a powerful, self-reliant economy.

The intensity of revolutionary conviction manifests itself in the struggle to protect the revolution's paramount leadership.

The spirit of the Arduous March is the spirit of protecting to the death the leader of the revolution in the most difficult of conditions. We must emulate assertively the spirit of O Chung-hup's 7th Regiment's protecting to the death, which offered both youth and life during the Arduous March, fighting at the forefront to protect and defend the headquarters of the revolution. When the whole party becomes the 7th Regiment, the whole military becomes the 7th Regiment, and the whole of the people become the 7th Regiment, then we inherit the glorious legacy of the Arduous March spirit, and then we have the firm guarantee that our revolution's lineage shall continue unswervingly.

All party members, all workers, and the officers and men of the People's Armed Forces must hold highly aloft the glorious tradition of protecting the leader created during the Arduous March, resolutely protecting politico-ideologically and with their lives our revolution's paramount leadership, with dear supreme commander Comrade Kim Chong-il at its head.

To live and to fight by the spirit of the Arduous March we also must possess the firm will to trust only in our own strength, to pursue our own style of revolution.

The spirit of the Arduous March is the spirit of independence, the spirit of self-reliance, and the spirit of fortitude. The anti-Japanese revolutionary force of the Ar-

duous March operated in isolation, without assistance, and lacked the support either of a national, rear area or of a regular military, but the force possessed an abundance of revolutionary spirit — the mentality that one must trust only in oneself. The key to the force's victory in the great anti-Japanese war and the force's hastening the spring of fatherland liberation was the revolutionary spirit with which the force applied a will of iron to open the way for the advance of the revolution, step-by-step in hand-to-hand combat.

The conditions and environment of our revolution have changed, but today, tomorrow, and forever the revolutionary truth remains: we shall triumph if we fight with the spirit of self-reliance. Reliance on the self is the sole path to survival, the only way to victory of the revolution. We must with our own strength punch through the difficulties and hardships that confront us, utilizing the revolutionary spirit of self-reliance and independence manifest in the Arduous March, and we must achieve the prosperity, power, and growth of our nation, our fatherland, with our own wisdom, our own efforts, our own technology, and our own resources.

We are not a people who gape at others and copy their ways, nor are we a contemptible people who leech off others. No defeatism whatever can plague our people, who live and fight with the spirit of the Arduous March. We must defend to the last our dignity and honor as a self-reliant people who live and struggle, holding aloft the banner of chuche ideology, and we must live our own way even if the world turns over a thousand times. Every branch and every unit must possess the mentality that the party's policies are absolute and unconditional, and must manifest strongly the ethos of pursuing with their own strength those revolutionary tasks assigned to them, no matter what intervenes. If it is supplied from above, fine, but even if it is not, then functionaries and workers must create continual miracles and exploits in socialist construction, applying the resolute stance that they can do it with their own strength.

To live and fight by the spirit of the Arduous March they must also manifest highly the indomitable struggle ethos that will allow them to face and punch through any manner of hardship or difficulty that confronts them.

Difficulties validate the revolutionary's resolve.

If we back away a single step from difficulties, then we back away 10 steps, 100 steps, and finally sink to the ground and forsake the revolution. Difficulties are temporary. The rule is he who faces difficulty head-on keeps victory in view, but despair and defeat are the lot of he who fears difficulty.

During the Arduous March, our revolutionary predecessors did not retreat in the face of difficulty, even when they froze to death, starved, or died at the hands of the enemy, and, indeed, they fought staunchly, regarding adversity as sweet. We must emulate the revolutionary predecessors' spirit of routing difficulties, their indomitable spirit of struggle, and like them we must multiply our courage a hundred-fold and struggle with our morale raised even higher.

The revolutionary absolutely must not be pessimistic, no matter how difficult the conditions and environment that confront him; he must manifest highly the courage that can transform disaster into blessings, adversity into good fortune. We must face difficulties head on and punch through them with a bold, offensive spirit, with an intense fighting spirit, and with the self-confidence that stems from the revolutionary's conviction that he can find a way out even if the sky itself falls. The strains of the resounding anti-Japanese guerrilla song must ring loudly in our people's struggles and lives: "Let us cut down the enemy always, even if we must die a trillion times."

Every last one of us without exception must not simply use the term Arduous March but must become resolute revolutionary fighters who apply the Arduous March to the practical struggle to defend socialism.

Leadership personnel today must stand in the first rank of the Arduous March force.

During the Arduous March, it was the commanders of the anti-Japanese guerrilla force who held aloft the banners at the vanguard and cut through the enemy, and it was the commanders, too, who in the vanguard defended headquarters, absorbing incoming enemy warheads with their bodies. The true path for leadership personnel to accomplish wholly their duties as constituted members of the revolution's command, lies in living and struggling like Comrade O Chung-hup, who led the 7th Regiment of the anti-Japanese guerrilla force's advanced guard.

Functionaries must be more resolute and more exceptional than anyone in the task of protecting and defending the leader and must become today's O Chung-hup, braving fire and water to implement the leader's ideas. The key to boosting the masses' morale a hundred-fold and to opening a breakthrough to victory is the commander's firm resolve and energetic combat command. Armed with optimism and faith in certain victory, functionaries must approach all tasks with boldness and daring and must use personal example to arouse the masses to new struggle and brilliant achievement.

The reality today is that all the people are applying the spirit of the Arduous March vigorously to accelerate socialist construction, and this demands further expansion of party organizations' militant functions and roles.

Where party organizations perform dynamically, the revolutionary spirit reigns supreme and the masses surge.

To arm party members and workers with the spirit of the Arduous March, party organizations must intensify the task of ideological indoctrination, particularly indoctrination of conviction. Our party's policy on indoctrination of convictions is the revolutionary policy of nurturing party members and workers into resolute revolutionary fighters who firmly trust and obey only their leader, is a mighty weapon that molds our revolutionary ranks into a crystallization of ideological will, suffused only with the conviction of certain victory, and is a battle ensign that fortifies our own style socialist ideological bastion into an invincible fortress, proof wholly against any aberrant ideological element whatever. Party organizations must inculcate deeply into party members and workers the conviction of certain victory, the conviction they can punch through any difficulty to achieve absolute triumph because the leader is great and our three bastions, mighty.

Party organizations must in particular turn their utmost interest to causing the new revolutionary generation to carry on resolutely with the spirit of the Arduous March. Our youth are heirs of the Arduous March as it extends from generation to generation. Party organizations must cause all our youth to go forward fighting with the spirit and vigor that marked the Arduous March, thus preparing them firmly to become a colossal bomb 8 million strong that protects to the death supreme commander General Kim Chong-il, who respects and cherishes them.

The Arduous March force that started in the dense forests of Paektu was a loyal band dedicated only to trudging behind the great leader along the 10-million-league path of revolution, a force of steel that punched through any trial to vanquish any enemy of any strength, an eternal fighting force that expanded a hundred-fold as the passage of time deepened the revolution. Dear supreme commander General Kim Chong-il stands today at the vanguard of this unconquerable force.

It is the supreme honor and noble duty of our revolution's fighters to become members of the sublime Arduous March force and to carry on to the last along the Paektu route of advance.



Let us all unite firmly around dear General Kim Chong-il to achieve a grand transition in our revolution and construction via the spirit of the Arduous March.

**DPRK Article Praises 7th Regiment's Defense of Leader**

962C0058B Pyongyang NODONG SINMUN  
in Korean 12 Feb 96 p 3

[Article by Kim Hong-kun: "The Defend-the-Leader Spirit of the 7th Regiment Brought into Full Play in the 'Arduous March'"]

[FBIS Translated Text] Today our people and the officers and men of the Korean People's Army (KPA) are giving the defend-the-leader spirit fuller play than ever as they forge ahead upholding the great leader [yongdoja] Comrade Kim Chong-il with loyalty and filial piety, singleheartedly. All the people, KPA officers and men, and youths are staging a vigorous struggle to learn from the fighting spirit and traits of the O Chung-hup 7th Regiment, holding aloft the slogan of faith "Let Us Be Today's 7th Regiment by Defending the Highest Mind of the Revolution with Our Lives." Thanks indeed to the whole party, the whole army, and all the people carrying on brilliantly the defend-the-leader spirit of the 7th Regiment, the wholehearted unity of our revolutionary ranks is consolidating daily and our way of socialism is pressing on its triumphant march unaffected by any raging storms.

To defend the leader, the highest mind of the revolution, and be ready to die for the cause if necessary, is a demand of the revolution. It is a lofty feature for people carrying on a revolution to have, with no exception.

The leader of the working class is the supreme intelligence and heart of the revolution. Revolution is the leader's cause charted, advanced, and completed under his leadership. What the leader is to revolution is what the sun is to the flower. Therefore, if we are to be a winner in our revolution, we must out and out defend our leader, the highest intelligence of our revolution, with our lives. If we should fail to defend the highest intelligence of the revolution, the revolution will collapse and the people carrying on the revolution will go bankrupt.

A winning revolution invariably has its preeminent leader, and its true revolutionaries and loyalists defending him with their lives.

If one considers his faithfulness to the leader the highest value for him, that faithfulness inevitably comes out intensively for all to see in his readiness to defend the leader with his life. People carrying on a revolution should, with no exception, aspire after and be consistent with such readiness in every process and with every op-

portunity in their work and life; there should absolutely be no compromise in this respect. Only those doing so can endlessly add luster to their precious political lives, living and fighting as warriors of the leader forever. Those respected as the finest revolutionaries among the people are always persons who are precise and thorough with their defend-the-leader spirit; those having rendered most valuable services in the revolutionary cause of the working class were always loyalists who stood in the forefront to defend the leader with their lives.

The communists and people of Korea have a proud history of defending the leader, the highest mind of the revolution, with their lives, with everything they have, a tradition dating back to the anti-Japanese revolutionary struggle. In those difficult days, our first-generation revolutionaries feared no death to defend the great leader with their lives, unhesitatingly sacrificing their youth and lives for the cause. The fatherly leader, teaching us warmly while alive, said that it was thanks to the many true revolutionary comrades he had with him that he could turn numerous corners of trial safely in the days of the arduous anti-Japanese revolution. The word was a great tribute of trust to the anti-Japanese revolutionary martyrs who defended the headquarters of the revolution with their lives.

Of the struggle of the anti-Japanese revolutionary martyrs, the spirit displayed by the O Chung-hup 7th Regiment continues to shine as a lofty model.

The death-defying defend-the-leader spirit displayed by the O Chung-hup 7th Regiment is the loftiest spirit of loyalty and filial piety based on the absolute worship for the leader. It is the human-bullet spirit of warriors ready to jump into the enemy position with no hesitation if it is for the safety of the headquarters, the spirit of making oneself a rampart and a shield against enemy bullets. It is the highest expression of the revolutionary view of the leader. It is the blood vessel that connects the leader and the warrior, and the leader and the people, with one kindred tie. Only when we have the same spirit as the 7th Regiment had, can we truly uphold and follow our leader [yongdoja] amid any ordeals, and become true loyalists living an eternal life in the memory of the party even after we die.

The basic core of the death-defying defend-the-leader spirit of the 7th Regiment is the absolute and unconditional worship for the leader. It was because its members, fascinated by the great leader Comrade Kim Il-sung as a man, worshipped and followed him as Heaven that the 7th Regiment could staunchly defend the headquarters of the revolution amid such unprecedentedly formidable ordeals.

In the days of the severe anti-Japanese struggle, the 7th Regiment was, in fact, the headquarters guard unit. Its members always defended the headquarters on the first front with their lives, setting a living example of how true revolutionaries should uphold and defend their leader. Indeed, many revolutionaries left their names in the history of the working-class revolutionary struggle for defending the leader of the revolution, but none of them could create such a glorious defend-the-leader tradition, with such absolute worship for the leader engraved on their hearts, as the revolutionary martyrs of the 7th Regiment led by Comrade O Chung-hup did. That is why the defend-the-leader spirit of the 7th Regiment became an immortal revolutionary spirit for our people to learn from as the most precious ideological and mental provisions for our revolution, generation after generation.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

**"The revolutionary ideology and spirit of the revolutionary martyrs, their lofty struggle achievements and experiences, and their revolutionary features constitute the important substance of the revolutionary tradition that we should carry on and learn from generation after generation."**

The primary reason that the defend-the-leader spirit displayed by the 7th Regiment has become a boundlessly precious example for our people to follow is that it is the human-bullet, human-bomb spirit, with which members of the regiment defended the headquarters of the revolution in the face of death under the most difficult condition.

The faithfulness to the leader comes into play at difficult times of trials and tribulations. Only those who, during the most difficult times when one is required to unhesitatingly lay down his life, can sacrifice themselves and become human bullets and human bombs to defend the leader are bona-fide revolutionaries, who have built their loyalty to the leader into their faith, conscience, morality, and life. The O Chung-hup 7th Regiment created living models of such revolutionaries in the days of the "Arduous March."

In the entire period of the anti-Japanese revolution, when they had to fight—with no state-level logistics nor regular-army support—the formidable war with the Japanese imperialist aggressors armed to the teeth, not a single day passed without hardships and difficulties. Still, ordeals that the 7th Regiment had to overcome in the days of the "Arduous March" were the worst of them all. The anti-Japanese guerrillas had to fight hand-to-hand battles dozens of times daily, in the severe cold of 40 degrees below zero centigrade, sometimes

with no food the whole day, not even a grain of corn. As is known widely, they had to take a long, long detour and more than 100 days to reach a point which would normally have taken them only a week, a fact showing how arduous the march was. But, even under such severe conditions, the primary concern of the 7th Regiment always was the security of the headquarters, and to defend it with their lives. Firmly determined to destroy the enemy and ensure the security of the great leader forever, they deliberately drew enemy fire upon themselves, and whenever they found the headquarters in danger, they dashed miles and miles at a breath to defend the headquarters to the last.

It is one thing to make a pledge of allegiance to the party and the leader; it is another thing to fulfill that pledge. In particular, it is by no means an easy thing to sacrifice everything else for the defense of the highest intelligence of the revolution as the 7th Regiment did, in such unimaginably difficult conditions. Exploits of defending the leader at a time of a life-or-death crisis are incomparably worthier than those performed in time of peace. Such exploits can be performed only by true loyalists who, having built the faithfulness to the leader into their constitution, are prepared to lay down their lives for the sake of the leader at any time. Therein lies the lofty mental and moral features of the members of the O Chung-hup 7th Regiment, who were precise and thorough with their revolutionary view of the leader, as well as the extraordinary traction of the defend-the-leader spirit they displayed.

The path of the revolution is not smooth and easy. We perhaps have to go through ordeals even severer than the "Arduous March." However, as long as the hearts of our people and KPA men and officers continue to pulsate with the defend-the-leader spirit of the 7th Regiment officers, the defense of the highest mind of our revolution will remain as firm as an impregnable fortress forever, and our revolution will continue to advance following the will of the respected and beloved Comrade Kim Chong-il generation after generation.

The next reason that the defend-the-leader spirit of the O Chung-hup 7th Regiment is the immortal revolutionary spirit for our people to learn from forever, is that it is the spirit of wholehearted unity with which not just one person but all members of the regiment banded themselves in one and the same mind to defend the highest mind of the revolution with their lives.

Defending the highest mind of the revolution is the most important duty for all revolutionaries and collectives who participate in the revolution. The unity of the revolutionary ranks should be thoroughly directed at it and permeated by it. When revolutionaries who are pre-

cise and thorough with their spirit to firmly defend the leader band themselves, launch a courageous struggle, they can decisively smash any counterrevolutionary maneuvers and advance the revolution in accordance with the intent of the leader. Unity is the other side of the revolution; the revolution is, in itself, the struggle to defend its highest mind.

The 7th Regiment was a force of wholehearted unity, a unit of true and closely united revolutionaries who were precise and thorough with their spirit to defend the leader. The revolutionary spirit and determination with which the hearts of all its members were pulsating was only for one thing: to defend the headquarters of the revolution with a readiness to die. The banner they held high in the "Arduous March" was also for one thing: the defense of the leader. In the 7th Regiment, permeated with the defend-the-leader spirit, no one put his personal safety ahead of the security of the headquarters, and no one dodged his duty for the leader under the pretext that it was too heavy for him. Everyone in the regiment, from the commanding officer to each and every man, thought first and foremost about the security of the headquarters; in practice, they put the well-being of the great leader ahead of everything else and fought for it. That was the ethos and face of the 7th Regiment. It was a force so firmly armed with the defend-the-leader spirit and so closely united based on it that the 7th Regiment could confidently surmount all those unimaginably tough ordeals and hardships, brilliantly fulfilling its duty to defend the headquarters to the last.

Nearly 60 years have elapsed since the "Arduous March" that wrote a brilliant chapter in the history of the anti-Japanese revolutionary struggle. And even today, our revolution demands that all collectives and all the people unite, unite, and unite even more with the defend-the-leader-to-the-last spirit as the 7th Regiment did. When all our party members, working people, KPA officers and men, and youths arm themselves solidly with the defend-the-leader spirit, and when they unite even more closely around the party Central Committee headed by the great Comrade Kim Chong-il, the might of our wholehearted unity will increase extraordinarily and we will be able to firmly defend the bloodline of chuche to the last, amid many trials and tribulations.

Another reason that the defend-the-leader spirit of the 7th Regiment is an immortal revolutionary spirit for our people to learn from forever, is that it is the spirit of absolutism, the spirit with which the regiment carried out the plan and intent of the leader thoroughly and unconditionally, yielding not an inch of ground in any adversity.

Carrying out the plan and intent of the leader thoroughly is an intensive expression of the faithfulness to the leader, and an important requirement in defending the leader. Revolutionaries faithful to the leader defend and protect the cause of the leader by carrying through his orders and directives unconditionally while thoroughly ensuring his personal security. When the lines and policies put forth by the leader are defended and adhered to steadfastly, and when they are translated into realities, the authority of the leader becomes an absolute one that no force can challenge. Apart from the spirit of absolutism and unconditionality, no one can talk about any other spirit or ethos of defending the highest mind of the revolution.

In the difficult days of the bloody anti-Japanese battles, the O Chung-hup 7th Regiment fully displayed the revolutionary spirit of carrying out orders and directives of the headquarters most superbly and most thoroughly and, by doing so, set a brilliant example showing revolutionaries what the defense of the leader is about. When it comes to orders of the Comrade Commander in Chief, it was the inviolable iron rule and discipline of the regiment to carry it out under any circumstances, even if it meant for members to lay down their lives. As seen in such facts as that it celebrated New Year's Day with a bounty of arms and supplies from hand-to-hand battles it fought, and that it did the unit's housekeeping assiduously even while fighting dozens of battles daily, the spirit of absolutism and unconditionality of the 7th Regiment was something beyond all imagination. Being so boundlessly faithful to orders and directives of the leader, the regiment was always known for its combat strength. Even today, it stands in the vanguard of our revolutionary ranks as firmly as ever.

Today, our people, whenever they are confronted with a great difficulty or an enormous task, bring their revolutionary spirit into full play, thinking of the 7th Regiment. It is the unswerving faith they keep engraved on their hearts that they can fully accomplish any tasks assigned them by the party in any difficult condition if only they struggle as the 7th Regiment did. This shows that the revolutionary spirit of absolutism and unconditionality of the 7th Regiment continues to inspire our people to new exploits.

Indeed, the defend-the-leader spirit of the O Chung-hup 7th Regiment is a great revolutionary spirit for our people to learn from generation after generation.

It is more than half a century since the 7th Regiment set the brilliant defend-the-leader example. Still today, our people continue to move forward holding aloft the same banner of loyalty and filial piety, the defend-the-leader banner, as the 7th Regiment held aloft in its



days. It is the unyielding determination and will of our people, all our KPA officers and men, and all our youths, to trust and follow only the respected and beloved Comrade Kim Chong-il as Heaven, and to resolutely defend and protect the Comrade Supreme Commander, politico-ideologically and with their lives, following in the footsteps of the members of the 7th Regiment who defended the headquarters of the revolution with their lives in the most difficult days of our revolution, with the absolute worship for the great leader engraved on their hearts. We will follow the path of the revolution through to the end following the great leader [yongdoja] Comrade Kim Chong-il, with the iron faith and will that absolutely knows of no vacillation, even if the world should change a hundred times, and even if we should be confronted with a thousand ordeals. Following that path, we will press on with the revolutionary cause of chuche's completion through to the end.

As long as we have the respected and beloved Comrade Kim Chong-il, the greatest commander in the world, at the helm, and as long as we have, around him, our heroic people and invincible army closely united and firmly armed with the defend-the-leader spirit of the 7th Regiment, our revolution is invincible forever.

**DPRK: Kim Chong-il's Leadership in Reunification Reported**

962C0060A NODONG SINMUN in Korean  
22 Feb 96 p 2

[Article by Han Yong-ho: "The Respected and Beloved Comrade Kim Chong-il Is the Great Savior of the Cause of Reunification"]

[FBIS Translated Text] The great leader [yongdoja] Comrade Kim Chong-il, who commands the high respect and trust of the world as a great man in the world and the sun of our nation, has made immortal achievements that will shine for a long time in the history of our nation in sagaciously leading the national reunification movement, just as he did in all other aspects of the revolution and construction.

The respected and beloved Comrade Kim Chong-il early on embarked upon the road of reunification with a lofty love for the people, and he was always with the great leader Comrade Kim Il-song on this road. He has been brilliantly leading the reunification of our nation for scores of years.

The respected and beloved Comrade Kim Chong-il is the great savior of the cause of national reunification and presents correct thoughts and theories, and strategies and tactics concerning national reunification based on the immortal chuche ideology, thereby brightly illuminating the road to fulfilling the cause of national reunification.

With the principles of chuche ideology as the starting point, the great leader [yongdoja] Comrade Kim Chong-il regarded the question of national reunification, a national issue, as the question of putting an end to domination by foreign powers and guarding and realizing the independent stand and attitude in all Korea, and on this basis he set forth the task of national reunification as the foremost national undertaking for the fulfillment of the chuche cause.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: "Our party's basic stand on and formula for national reunification are widely known. Our party has consistently demanded that national reunification be realized by means of creating the Democratic Confederated Republic of Koryo on the basis of the three-point principle of fatherland reunification—sovereignty, peaceful reunification, and great national unity—leaving the ideologies and systems of the North and the South intact as they are."

The great leader [yongdoja] Comrade Kim Chong-il defines the struggle of our people for national reunification as one for opposing imperialist domination and interference and securing the sovereignty of our nation, and holds the three-point principle of fatherland reunification and the formula of creating the Democratic Confederated Republic of Koryo as its basis and starting point. It is the basic stand which the great leader [yongdoja] Comrade Kim Chong-il has consistently maintained as regards the method of achieving national reunification that the country be unified by creating a unified whole-nation state in the form of a confederated state capable of representing all parties, all groupings, and all strata and by leaving the two different systems and governments of the North and the South intact as they are, on the basis of the three-point principle of sovereignty, peaceful reunification, and great national unity.

Standing at the forefront of the nationwide struggle for national reunification, the respected and beloved Comrade Kim Chong-il is sagaciously leading all patriotic forces at home and abroad on the one road of reunification by gaining supremacy over the line of confrontation, war, and division pursued by the antireunification forces at home and abroad.

The respected and beloved Comrade Kim Chong-il elucidated his firm view on reunification that Korea, just like a living organism, can survive when it is united as one, but cannot when it is divided.

He holds as inviolable the principle of sovereignty that the reunification issue must be resolved by our people's own efforts to suit their demands and interests. He is judiciously leading the Korean people, the subject of reunification, to arm themselves with the Korean-people-

are-number-one spirit and solve all problems arising in the reunification movement from an independent standpoint by maintaining the attitude and stand as the masters of national reunification.

The respected and beloved Comrade Kim Chong-il is the savior of the cause of national reunification who is leading the struggle of our people for the independent reunification of the fatherland with his outstanding resourcefulness and tested leadership.

Our people's cause of national sovereignty in realizing national reunification can be fulfilled only under the leadership of the outstanding leader. Correct leadership is a decisive guarantee for fulfilling the cause of national sovereignty. The cause of national sovereignty is accompanied by acute struggles between independence and enslavement, between patriotism and treason; therefore, it can be fulfilled only by augmenting the main force of reunification and using scientific strategies and tactics. Our nation has been able to strengthen the main force of national reunification and walk triumphantly on the one road of independent reunification under the seasoned and tested leadership of the great leader [yongdoja] Comrade Kim Chong-il, who fully embodies the outstanding leadership ability and chuche-oriented strategies and tactics of the [deceased] great leader.

The respected and beloved Comrade Kim Chong-il has been preparing a strong main force of national reunification by exercising his sagacious leadership.

The struggle for national reunification is at once confrontation against the forces of divisionism; accordingly, preparing a powerful main force of national reunification provides an essential guarantee for achieving reunification. The main force of national reunification is all the Korean people, and nobody can replace them in their cause of national reunification. Whether or not we can augment the strength of the main force of reunification is a basic issue bearing on the success or failure of our cause of national reunification.

Understanding this urgent requirement, the great leader [yongdoja] Comrade Kim Chong-il unfolded the strategy of augmenting the strength of the main force of reunification throughout the whole of Korea and launched a bold and daring operation to put it into practice.

The respected and beloved Comrade Kim Chong-il built a powerful main force of reunification and consolidated and developed it by, above all else, achieving the wholehearted unity of the party, the leader, and the masses of people and welding them into a social and political organism in the northern half of the republic. Today the main force in the northern half of the republic is be-

coming the invincible source of strength with which to securely guard masses-centered socialism and bring its superiority into play, even under the difficult circumstances when the imperialists and the reactionaries are stepping up their antisocialist machinations and their intrigues to isolate and strangle our republic. Under the sagacious leadership of the respected and beloved Comrade Kim Chong-il, our republic has become an ideological big power, a political big power, and a military big power strong enough to crush any interventionist and aggressive machinations of the imperialists, and has become the powerful main force of national reunification at the same time.

The great leader [yongdoja] Comrade Kim Chong-il presented for the first time the superb idea that the main force of national reunification is the masses of people of all strata, with the working people at the center, who are given to the idea of loving the country, the nation, and the people. With this idea he illuminated the road to strengthening and developing a powerful main force of national reunification in South Korea.

Today the masses of people of every stratum in South Korea, accepting the great chuche ideology, the banner of national sovereignty, are vigorously launching into the reunification movement for the realization of the cause of national sovereignty, with the movement for national sovereignty forming the mainstream of their patriotic movements.

The great leader [yongdoja] Comrade Kim Chong-il presented the outstanding idea that neither democracy nor reunification is attainable without democratizing South Korean society, on the basis of his definition that the 16 May military coup was aimed at reorganizing the colonial ruling structure to establish a military "dictatorship"; that the Kwangju popular uprising was an antifascist democratization struggle against the military dictatorship; and that the incident in which fire was set to the U.S. cultural center in Pusan was part of the struggle which ignited the fuse to set off the antifascist democratization movement.

In addition, on the basis of his fresh elucidation of the character of South Korean society, the respected and beloved Comrade Kim Chong-il profoundly clarified that the reunification movement should be a single consolidated movement into which the movements for sovereignty, democracy, and reunification are integrated organically, and with this clarification, has led the reunification movement to proceed more vigorously. This gave an impetus to organically integrating the anti-U.S. struggle for self-dependence, the antifascist struggle for democracy, and the struggle for national

reunification into one and bringing about a new upswing in this integrated movement in South Korea.

Achieving grand national unity is an important issue in preparing a powerful main force of national reunification.

In order for our nation fully to discharge its mission as the main force of national reunification, the people must band together as one. The strength of the main force is none other than the strength of unity.

The great leader [yongdoja] Comrade Kim Chong-il, seeing a decisive guarantee for the independent and peaceful reunification of the fatherland in strengthening the main force of reunification by bringing all the people closely together, presented fair and above-board policies for achieving the grand unity of our nation, and has energetically led the struggle to implement them.

The respected and beloved Comrade Kim Chong-il saw to it that the struggle to implement the proposal for founding the Democratic Confederated Republic of Koryo and the struggle to implement the 10-point program for achieving grand national unity were driven forward by way of uniting all compatriots in the North, the South and overseas into one integrated patriotic force.

A meeting of compatriots at home and abroad for the promotion of national unification was held in Pyongyang in July 1989; the whole-nation conference which was held for the first time in August 1990 became routine with its annual sessions held in grand style each year since then; and the Whole-Nation Alliance for Fatherland Reunification, a nationwide union of reunification-oriented and patriotic forces, was organized and has continued to become more and more solid and developed ever since. All these developments represent gigantic forward steps and successes made in the efforts to achieve grand national unity by forming an organized alliance of all reunification-oriented forces at home and abroad.

The main force for the reunification of the fatherland is becoming unusually stronger and moving in the direction of forming a nationwide united front. This is entirely the outcome of the respected and beloved Comrade Kim Chong-il's energetic activities and judicious leadership to strengthen the main force of reunification.

The respected and beloved Comrade Kim Chong-il, seeing the outlook for the development of the situations at home and abroad with matchless insights, set forth appropriate and reasonable means and methods of negotiation in timely fashion, thereby driving the antireunification forces into the corner and turning the table in favor of reunification.

It is the consistent position of the respected and beloved Comrade Kim Chong-il that the question of reunification should be resolved not by means of war, but peacefully through dialogues and negotiations. In keeping with the fast-changing situations at home and abroad beginning in the early part of the 1970's, he stood at the forefront of the struggle to press ahead with the policy for wide-ranging negotiations and made the first breach in the wall of division. When the three-point principle of national reunification was confirmed as the joint reunification program of our nation with the announcement of the 4 July [North-South] joint communique, the respected and beloved Comrade Kim Chong-il saw to it that the whole nation held fast to this principle and waged a vigorous struggle for national reunification thoroughly in accordance with it.

When the South Korean puppet circle issued a so-called "special statement" in June 1973 outlining its policy for concocting two Koreas, the respected and beloved Comrade Kim Chong-il dealt a scathing blow to the machinations of the divisionists to perpetuate national division and won victory for the reunification line by sagaciously leading our party's activities at home and abroad to implement the five-point policy for national reunification outlined by the great leader. When the "yusin" dictatorship was washed away by the waves of the surging antifascist democracy movement of the South Korean people, entailing social and political confusion in South Korea, the respected and beloved Comrade Kim Chong-il presented the policy of finding a way out through collaboration, unity, and reunification and showed the way for our nation to move forward. He took active measures to break through the crisis by the united efforts of the North and the South.

Even when a grave obstacle was raised in the way of reunification by the antireunification machinations of the divisionists beginning in the early part of the 1980's, the great leader [yongdoja] Comrade Kim Chong-il accurately analyzed and sized up the nature of the situation and turned the situation in favor of reunification by purposely creating possibilities and opportunities, and exerted active efforts to make them develop. This was clearly illustrated when he took a step in September 1984 to send an enormous quantity of relief goods to the South Korean flood victims as quickly as possible and made this serve as momentum for creating a climate conducive to easing tension between North and South and in favor of national reconciliation, unity, and dialogues.

In view of the prevailing situation in the country, the great leader [yongdoja] Comrade Kim Chong-il made reasonable proposals and methods for creating conditions necessary for national reunification and has



vigorously pushed forward the struggle to implement them.

For the purpose of removing the danger of war in our country and creating necessary conditions for achieving the independent and peaceful reunification of our fatherland, it is imperative to put in place a new arrangement of peace and put an end to the acute state of military confrontation and the arms race. For this reason, the respected and beloved Comrade Kim Chong-il made various reasonable peace proposals and took various peace initiatives, including the proposal that a new system of safeguards for peace be created between us and the United States and that a declaration of nonaggression be adopted between North and South. He also made important proposals for arranging a North-South high-level meeting and practically removing the state of military conflict.

Thanks to the outstanding leadership of the great leader [yongdoja] Comrade Kim Chong-il, the machinations of the antireunification forces for confrontation, division, and war were crushed each time, and at last the "agreement on reconciliation, nonaggression, cooperation, and exchanges between North and South" and "the joint declaration on denuclearization of the Korean peninsula" were adopted and published.

In recent years the great leader [yongdoja] Comrade Kim Chong-il crushed to pieces the machinations of the imperialists and the reactionary forces to strangle our republic to death, with his matchless clairvoyance and wisdom, tested leadership, peerless prowess, and outstanding resourcefulness. By doing so, he added luster to the dignity of the chuche Korea, secured the safety of the nation, and created conditions favorable to the struggle for national reunification.

The respected and beloved Comrade Kim Chong-il—who is the highest embodiment of and representative for our people's desire for national sovereignty and the guardian of the national sovereignty and dignity—is the highest reconciler of minds, unifying our nation's demand for sovereignty and national interest, and the center of national unity and leadership banding all members of the nation together as one chuche-oriented force and leading them to the fulfillment of the cause of national sovereignty.

The outstanding and tested leadership of the respected and beloved Comrade Kim Chong-il, who has been leading the national reunification movement along the one road of victory, is permeated with his boundless, warm love for the South Korean compatriots and his noble patriotic determination to relieve them of the misfortunes and difficulties caused by the division of the nation and bring happiness to the fatherland

and posterity. The wise and tested leadership of the respected and beloved Comrade Kim Chong-il—who stands out in intelligence, military strategy, loyalty, and filial piety, who has achieved the wholehearted unity of the whole country by his broad-based politics of love and faith, and who is leading our brethren on the road to national unity and national sovereignty—constitutes a secure guarantee for achieving national reunification and fulfilling the cause of national sovereignty.

The greatness of the great leader [yongdoja] Comrade Kim Chong-il's noble ideology, leadership characteristics, and moral influence at once serves as the driving force, the force of attraction, which rallies all our compatriots in the North and the South and overseas closely together under the banner of reunification and strenuously propels them to the fulfillment of the cause of national reunification, and at the same time, as an iron hammer which makes the imperialists and the reactionaries tremble in fear and which splits their divisionist machinations asunder.

The respected and beloved Comrade Kim Chong-il made great matchless achievements in the course of leading our revolution and the cause of national reunification in support of the fatherly leader.

The authority of the respected and beloved Comrade Kim Chong-il is the high authority as a peerless great man and as the leader of our nation, who fully embodies the authority, ideology, leadership capability, and achievements, and virtues of the great leader [yongdoja] Comrade Kim Il-song, the sun of our nation. It is an absolute authority no one can undermine, the most powerful authority that has an illimitable power of attraction, influence, and thrust.

The high leadership authority the great leader [yongdoja] Comrade Kim Chong-il enjoys is our nation's banner of unity and struggle and a symbol of victory. It is thanks to such outstanding ideology, tested leadership ability, and noble moral influence of the great leader [yongdoja] Comrade Kim Chong-il, who has been making tireless efforts for the reunification of the fatherland, that our people have been able to walk the one road of struggle and victory and are cutting a path to independent national reunification, brimming with conviction and optimism, while reversing the inverse current against reunification to a formidable tide in favor of reunification under very difficult and complex circumstances.

Now all the Korean people are reverentially looking up to the respected and beloved commander [Comrade Kim Chong-il] in admiration as the heavenly sun, the great savior of the cause of national reunification, with the granite conviction and determination that when they

follow the leadership of the great leader [yongdoja] Comrade Kim Chong-il with loyalty, they will be able to brilliantly fulfill the sacred cause of national reunification and achieve prosperity for thousands of generations to come.

The outlook for the reunification of Korea is bright and the future of a unified Korea is resplendent because the great leader [yongdoja] Comrade Kim Chong-il, in deference to the fatherly leader's behest for reunification, has presented correct strategies and tactics for making a turning point in the drive for reunification and been sagaciously leading the nation to form a formidable current of the reunification movement.

All fellow Koreans in the North, the South, and overseas must reverentially view with loyalty the respected and beloved Comrade Kim Chong-il, the bearer of the fate of our fatherland and nation and the savior of the cause of national reunification, and victoriously launch themselves on the road to implementing the fatherly leader's behest on national reunification, by following Comrade Kim Chong-il's leadership.

As long as we revere the respected and beloved Comrade Kim Chong-il, heaven for all of us and the great savior of the cause of national reunification who leads this cause at the forefront, the Korean people will fulfill the historic cause of national reunification without fail whatever ordeals and barriers may arise.

### South Korea

#### ROK: DPRK Defector on Recent Developments in Human Rights Situation

962C0054A *Seoul WOLGAN CHOSON in Korean*  
Apr 96 pp 133-139

[Article by Kim Yong-sam: "NK Improving Human Rights in Wake of ROK Media Exposure of Realities in NK Internment Camps"]

[FBIS Translated Text]

#### Former Guard at Internment Camp 11 Defects

Choe Tong-chol, 29, is a defector who once served as a guard at a North Korean [NK] political prisoner internment camp. Choe's face was a mask of tension when he appeared for our appointment, his eyes absorbing our surroundings half in curiosity, half in fear. His handsome face is finely-chiseled, and he is a very thin but solidly built young man.

Choe is the fourth former inhabitant of a NK political prisoner internment camp to defect to the ROK and recite the reality that the camps brutally exterminate internees' human rights. Choe was preceded to the ROK

by An Hyok and Kang Chol-hwan (former political prisoners at Yongdok's Internment Camp 15) and by An Myong-chol (a former guard at Internment Camp 22 at Hoeryong in North Hamgyong Province). Choe Tong-chol worked as a political prisoner internment camp guard of the People's Security Forces (PSF) before defecting to the ROK with his mother, Yi Sun-ok, on 13 December 1995.

A person must be a member of North Korea's privileged class to work as a PSF camp guard. Choe is a native of North Hamgyong Province's Onsong-up in Onsong County and graduated from Onsong People's School and Onsong Boys' Senior High School. Choe was 17 when he was selected to serve in the Ministry of State Security's (MSS) 9th Bureau (now called the 7th Bureau) on 15 May 1983. The MSS's 9th Bureau is that element of the NK regime that exercises overall administrative control and security responsibility for all NK political prisoner internment camps. After induction, Choe was assigned initially to the Security Brigade, Security Section [as published], 9th Bureau, MSS. In February 1985 he was assigned to be a guard at Administration Center 11, which is located near Kwanmo Peak in North Hamgyong Province's Kyongsong County. (NK uses the term "administration center" to refer to its political prisoner internment camps.)

In June 1986 Choe received permission to matriculate at Kim Il-song University's Department of Automation, where he studied robotics, electronic computation, and computers. That Choe could matriculate at Kim Il-song University at all attests to his superior socioeconomic class background. His father was principal of Onsong Boys' Middle School in North Hamgyong Province, his mother was manager of the Onsong County Executive Commodities Distribution Center, and his maternal grandfather participated in the partisans' struggle against Japan. Choe's class origins suggest his family solidly supported the NK regime.

It happened in April 1988 when Choe had been studying at Kim Il-song University for about two years. His mother, Yi Sun-ok, was incarcerated in a correctional facility (a penitentiary for criminals who commit economic offenses or other non-political crimes). As a result Choe was forced into internal exile to work as a hand on the 25 April Tobacco Farm in North Hamgyong Province's Onsong County. Disillusioned with the regime after his mother's release from prison, Choe fled with his mother across the Tumen River in February 1994 and defected to the ROK through a third country.

### 'Class Enemies Worthy of Death'

Choe remained tense even as he recounted his personal background and ascribed his uneasiness to his basic training days, when recruits were subjected to ferocious punishment. Choe served as an internment camp guard for 16 months (February 1985-June 1986), but he had little opportunity for direct contact with political prisoners because he was assigned the whole time to the Leaders' Training Center located in the housing area for MSS personnel assigned to the camp. (The center trained and instructed internment camp PSF squad leaders, platoon commanders, and drivers.) Choe's experiences, therefore, are limited when compared to those of An Hyok and Kang Chol-hwan, who were hauled off to a political internment camp and experienced there the brutal life of the political prisoner, or when compared to those of Kang Myong-chol, who for seven years served at internment camps as a sentry post guard and as a driver. This last assignment gave Kang access to various sites throughout the camp.

Factual elements in these men's accounts of the realities of camp life, however, agree to a surprising extent despite experiences at different camps during different periods. Choe Tong-chol provides yet another eye with which to peer inside the highly secret NK political prisoner internment camps, and his account is important because it enables us to examine, verify, and augment the descriptions of the three previous defectors with camp experience.

Immediately after reporting for active duty, Choe was assigned to the Security Brigade subordinate to the 9th Bureau, Security Unit [kyongbidae], MSS, located at Maram-tong in Pyongyang City's Yongsong District. The brigade exercised overall security responsibility for all NK internment camps, and Choe says he began to learn the reality of the camps while assigned to this unit. "We received 7-8 reports a year of cases in which PSF guards had illicit sexual relations with women political prisoners," Choe said. "When such an incident occurs, the PSF guard is criticized for 'having sexual relations with a class enemy,' demoted to private, and denied a university recommendation even after leaving the service."

Choe recalls escapes from Internment Camp 12 (Nodongja-ku, Changpyong, Onsong County, North Hamgyong Province) and Camp 13 (Pungchon-tong, Onsong County, North Hamgyong Province). "I'm not sure of the exact date, but we got a report about a family, 7-8 people, who escaped from Camp 12 and Camp 13 and fled to China. The PSF pursued them even into China and hauled them back to the internment camps, where they were publicly executed."

Choe heard that women aliens (the term used in NK for political prisoners) who became pregnant were forced to abort or were executed secretly. He also learned that MSS personnel killed aliens as a diversion.

Choe acknowledged, however, that at the time his view of political prisoners went no further than, "Aliens are 'class enemies' who committed treason against the People's Republic and are worthy of death." His hostility toward the political prisoners did not abate even after he was assigned as a guard to Camp 11. Choe recalls that the official name of this internment camp was "Unit 2911, Choson People's Security Forces" and that Camp 11 was located below Kwanmo Peak in North Hamgyong Province's Kyongsong County (formerly Chuhol County).

### Why NK Builds Internment Camps in Border Region

Choe responded as follows to a question on his first impressions of the political prisoners. "The aliens were small, like dwarfs. Even the adults didn't reach 150 cm, and I remember they were very stooped. Their faces were bloated and yellow, and the children's bellies were distended, like tadpoles'. Frankly, tension filled the administration center because it was a 'hostile territory' where one confronts the enemy. We seethed with fierce enmity for the political prisoners because our training insisted it was wrong to regard them as human beings."

Earlier, An Myong-chol had said (WOLGAN CHOSON, March 1995) that when guards would see one of the political prisoners, "This is what we did," as he struck the desk with his palm. There is a small difference in Choe's and An's accounts, however. An said many of the political prisoners were crippled, missing an arm, leg, or eye due to work accidents, frostbite, or torture. Choe said, however, "I don't remember seeing cripples at Administration Center 11."

Responding to a question about the reason for this discrepancy, Choe said, "I was assigned to the Leaders' Training Center, and the only political prisoners allowed to approach the area were those who were healthy and who cooperated well with MSS personnel." He spent most of his time on duty at the Leaders' Training Center and was not granted freedom to enter other camp areas, Choe noted, so it was not possible for him to have the kind of graphic experiences that An did.

Choe recalls that Internment Camp 11 contained 20,000 political prisoners, who were managed by 500 MSS personnel and guarded by 450 PSF guards. He put the total number of political prisoners in NK at "roughly 200,000." This figure tracks closely with estimates by others with experience in the camps, and by our



intelligence agencies. Choe said Internment Camp 11 was located near China's border, and that Chinese mountains looked to be near at hand.

He responded as follows to a question about why most of NK's internment camps are located along NK's frontier, in remote mountainous areas. "In the past NK regarded the frontier region as the most secure in the country because of its proximity to China, a fraternal socialist state, and built the internment camps there. Now China, too, is no longer a trustworthy entity, and they're probably very worried that the secret of the border camps will leak."

Quarters for Internment Camp 11's political prisoners were situated in valleys amid a rugged panorama of thickly-wooded mountains. It was believed the area's soaring, spike-like peaks made escape impossible, but in 1985 in the first such incident in the camp's history, five internees, all members of one family, staged an escape attempt. Around June or July 1985, a grandmother, 60, her son, about 37 or 38, and her three grandsons, all 10 or under, fled under cover of darkness. PSF guards had felt quite confident. "Nobody," they believed, "can escape over mountains this rugged." But now they had been caught napping.

Camp personnel the next morning discovered the family had fled, detecting it easily during the exacting head count designed to reveal any escape. Gale [polkpung] Warning — combat condition 1 — was declared immediately for both MSS personnel and PSF guards, and a massive search operation was launched. The family, in fact, had not been able to get out of the camp and hid out for three days before PSF guards arrested them.

The family members were interrogated for about a week and then publicly executed. All the political prisoners were assembled at the execution site. To prevent rioting, PSF guards had hauled up a 4-barreled antiaircraft artillery piece (an air-defense weapon with four barrels) and laid it to cover the political prisoners. The atmosphere was brutally intimidating. Choe describes the situation.

"First they hanged the grandmother and her son. Then they had a PSF guard shoot the three young children with his assault rifle. The aliens then were forced to form a line and pass by the bodies, a move designed to instill fear in them, as if to say: 'You, too, will die if you flee.'" "Model prisoners" began to hurl rocks at the bodies, yelling, "You reactionary sons-of-bitches." This created a situation in which internees behind the model prisoners had no choice but to throw rocks themselves. In seconds a hail of rocks smashed the bodies to pulp and then built up a mound over them.

Choe's account of this public execution coincides with narratives by An Hyok and Kang Chol-hwan. An Myong-chol said, however, that the camps had abolished public executions in favor of secret ones by the time he was assigned as a PSF guard (1987-1994). Choe said the change was caused by political prisoners who rioted at an execution. They had been benumbed by witnessing many public executions: "It makes no difference if we die this way or another way."

The execution Choe Tong-chol recounts took place in June or July 1985, so public executions in the camps may have ceased sometime around 1986. Choe Tong-chol had heard many accounts of secret executions, as had An Myong-chol. Choe said he heard many times that PSF guards and MSS personnel shot political prisoners as if they were hunting so many animals, that they killed prisoners any time they felt moved. "Secret executions in the camp," Choe said, "were an open secret." "Administration center regulations specify, 'Shoot to death any alien who shows defiance,' so there were cases in which people were shot without reason. A PSF guard or a MSS official would use his firearm to force a political prisoner to pick up an ax or a sickle and then shoot the prisoner and claim the internee had committed an act of 'defiance.' They hunted human beings as a sadistic distraction."

The internment camp was a place to confront the enemy, so in accord with administration center regulations, PSF guards and MSS personnel did not operate alone. They moved around in teams of three and carried loaded weapons. MSS personnel are armed with pistols, while PSF guards carry assault rifles. Choe noted that MSS personnel sometimes did move about alone.

#### **'I Saw the Tunnel Where They Burned People to Death'**

Choe Tong-chol said camp personnel categorically killed pregnant prisoners, that babies simply were not allowed to be born, and this tallies with An Myong-chol's account. The incidence of pregnancy was not high because the camp strictly prohibited sexual relations, and most pregnancies, Choe noted, resulted from rapes committed by MSS personnel or PSF guards. Choe said the reason pregnant prisoners were killed was "to exterminate the children of reaction." Choe Tong-chol said, however, "I never witnessed the killing of a pregnant prisoner, never saw a secret execution of such a prisoner, nor did I ever see the body of such a prisoner who had been executed secretly."

MSS personnel are in charge of secret executions, Choe said, and they would mark as a target for suspicion anyone who evinced an interest in determining even

whether such executions took place. I asked Choe about the existence of the MSS's 3d Bureau that An Myong-chol had mentioned in his account, and Choe replied, "The 3d Bureau is called the Preliminary Inquiry Bureau, and I heard that former MSS Minister Kim Pyong-ha used 3d Bureau personnel to torture many people and make them into political prisoners." Choe said he understands the 3d Bureau to be like "angels from hell who after an incident use torture to interrogate people."

Choe responded as follows after I recounted An Myong-chol's statements that the 3d Bureau rendered oil from human bodies to use in making cosmetics, researched torture methods, conducted experiments on living people, and burned corpses. (See the March 1995 WOLGAN CHOSON).

"In May 1987, they closed Administration Center 12 in Nodongja-ku, Changpyong, in North Hamgyong Province's Onsong County, and the 25 April Tobacco Farm took over the site. They ejected me from Kim Il-song University and exiled me to the farm, where many times I saw a large tunnel for firing bricks. I heard many whispered comments that this was the tunnel where they burned people to death."

Choe's Tong-chol's description of the camp's detention barracks also squared precisely with An Myong-chol's. Prisoners who violate camp regulations are sent to the detention barracks, from which, Choe said, there are only two ways to emerge, crippled or dead. Inmates taken to detention are hauled off to assault teams, where they mine coal or labor on tunneling projects. (An Myong-chol said the assault teams work on "Major Construction Projects.")

Choe lived in Internment Camp 11 for some 16 months but says he never once saw the political prisoners' quarters. He observed them for the first time when he saw those that had been used at Camp 12 after he was exiled to the tobacco farm. "They were so slovenly thrown together," Choe recalls, "it was distressing even to call them human habitations."

"The quarters consisted of a room 2 meters square and a kitchen no bigger than a rat hole, and that was it. The floors were just straw strewn over flat rocks laid over heating channels. The walls were made of mud bricks that did not keep out the wind, while plastic sheeting served for windows. I remember the floors were a horrible mess in spring and again in the fall when inhabitants took up the flat rocks and scraped from their undersides accumulated combustion deposits to use as compost."

Political prisoners' quarters were built in valleys in Internment Camps 12 and 13 [as published], and large reservoirs had been built in the valleys' higher reaches. Choe says this juxtaposition allowed officials to breach the dikes and exterminate the political prisoners in event of crisis. A forest fire broke out inside the camp in April 1986. The flames spread fiercely, presenting those fighting the fire with serious difficulties, while MSS personnel and PSF guards directed fire fighting operations from safe locations. The flames soared high and burst back toward the political prisoners fighting the conflagration. Choe said he watched as the fire engulfed and killed over 40 of the prisoners.

Choe participated in barrier combat about once every six months while assigned to the internment camp. Barrier combat meant to maintain and repair barbed wire emplaced to prevent political prisoners from escaping and to perform maintenance on escape barriers. A 2.5 meter wall topped with barbed wire marked the boundary between the camp and the outside world, and a trench 2 meters deep ran along the camp's side of the wall.

#### **Internment Camp 11 [as published] Disestablished in 1989**

The trench was bordered by a footprint belt, a cleared strip of smooth ground prepared so as to reveal the prints of any who trod it. A patrol path bounded the footprint belt, and the patrol path was lined with booby traps — hand grenades, arrows, and trip mines. Observation sites and concealed guard posts were scattered along the perimeter. As a result of all this, Choe said, it was impossible either to infiltrate the camp or to escape from it.

Choe's account is the same as that of An Myong-chol, An Hyok, and Kang Chol-hwan, except An Myong-chol said high-voltage electricity — 3,300 volts — coursed through the wire, while Choe said Camp 11's wall was not electrified.

Each year there were one or two escapes despite the formidable barrier systems, Choe Tong-chol said. Two political prisoners who were former members of the Korean People's Army Sniper Brigade escaped in 1985 from Internment Camp 15 (in South Hamgyong Province's Yodok), Choe said. A nation-wide alert was declared, and the escapees were arrested after two months of searching. They were shot publicly. (An Hyok and Kang Chol-hwan recounted the same incident.)

According to An Myong-chol, Internment Camp 11 where Choe Tong-chol had been assigned was relocated in October 1989 to make way for construction of a Kim

Chong-il villa; Camp 12 was disestablished after its confidentiality was breached and was replaced by the 25 April Tobacco Farm; and a security breach caused the relocation of Camp 13 in December 1990.

The internment camps are important mechanisms of oppression that prop up the NK regime, and the regime assures their confidentiality through meticulous surveillance, control, and barrier systems. When PSF guards muster out of the service, the MSS first subsidizes university for them and then sends them to the MSS Political College for over a year of intelligence training. They then receive appointments as MSS officers and are assigned either to internment camps or to the "10th Directorate," which is responsible for construction in Pyongyang.

This system assures impeccable security for the camps. In the doing, however, security of even the most iron-clad variety cannot be maintained forever. In quick succession, several men with experience in the internment camps have escaped, defected to the ROK, and exposed the grim facts.

"The internment camps began to be a headache to NK some time ago because the media of South Korea [namcholson] and foreign countries repeatedly highlighted the camps. A few years ago Kim Chong-il issued the directive, 'Don't make too many domestic enemies,' a development not unrelated to international pressure. I've heard that a directive was issued that prohibits interning speech reactionaries (persons given the reaction label for the crime of errors in speech)."

In the past, Choe says, when a person made a mistake, authorities unconditionally confined three generations of his family to internment camps, but recently the policy is trending toward interning only the immediate family or causing the spouse to divorce the person and incarcerating only the person himself.

#### **Crimes Against Humanity Must Be Punished to the Limit**

The concept of human rights does not exist in NK. NK has taken into custody and imprisoned in hellish internment camps without benefit of trial the equivalent of 1% of its population, and is killing them with slave labor. Moreover, NK from time to time attempts to assassinate the ROK president and does not hesitate to resort to kidnapping or to terrorist acts like blowing up the KAL airliner. Our political leaders today present a distorted image, one that promotes summit talks with the head of an entity like this and that advocates expressing condolences over the death of Kim Il-song, a Korean War criminal.

The time has come for the government to look squarely at the reality of NK's human rights situation before focusing on arranging South-North summit talks. Choe Tong-chol's narrative establishes that the more interest we show in NK's human rights, the more their human rights will improve. Those who have experienced life in NK's internment camps say with one voice, "NK internment camps are places of human extermination more brutal than Auschwitz." They add, "MSS personnel seem to have used the Auschwitz model to operate and maintain their enormous internment camps."

The ROK Constitution stipulates that our national territory shall consist of the Korean peninsula and its associated islands. Our government, therefore, must enact now a "Special Law for Unification Human Rights" that will provide for punishment to the limit for the anti-state, inhumane gang of NK authorities who perpetrate acts of extermination against the NK people.

We too must apply the example of the punishment of Nazi war criminals, must release a sad but courageous statement asserting that we will not recognize the statute of limitations for MSS personnel and PSF guards who oppress the NK people or for those who order crimes against humanity, asserting that even after unification we will pursue and punish them to the limit. As pressure of this kind builds and as public opinion focuses, we can produce a small improvement in the human rights of the NK people who groan inside "detention centers," places of forceful oppression.

#### **ROK: NSP Investigating Man Who Smuggled Himself Into Incheon Port**

SK0406115296 Seoul YONHAP in English  
1149 GMT 4 Jun 96

[FBIS Transcribed Text] Seoul, June 4 (YONHAP) — A young man who smuggled himself into Incheon Port Tuesday afternoon claiming to be a former North Korean soldier, was investigated by the Agency for National Security Planning (NSP).

An NSP official said the man identified himself as U Kwang-pin, age 22, formerly a corporal with the North Korean border security forces.

U also said he was born in Kusong city in North Korea's North Pyong-an Province, and his parents and elder brother remain in the North, according to the NSP official.



**ROK Foreign Minister Confers With Visiting Japanese Delegation**

SK0306123596 Seoul YONHAP in English  
1159 GMT 3 Jun 96

[FBIS Transcribed Text] Seoul, June 3 (YONHAP) — Foreign Minister Kong No-myong conferred with visiting Japanese New Frontier Party delegates over a luncheon at his Hannam-tong official residence Monday noon.

At the two-hour working luncheon, Minister Kong explained about the background of the four-way meeting proposal and hitherto North Korean reactions thereto [as received].

The Japanese visitors, led by Dietman Kansei Nakano, expressed their party's positive support to the overture.

On the recent winning by the two neighboring countries of the right to co-host the 2002 World Cup finals, the foreign minister emphasized that the co-host should be used as an occasion to further promote South Korea-Japan friendly cooperative relations.

The Japanese delegates readily agreed, describing the co-host as a "gift of the world" to the two countries.

The 10-member delegation included, besides Nakano, Kenji Kosaka, Shozo Azuma and Katsuya Okada and Kazuyoshi Akaba, all lower house members.

**ROK: Kim Yong-sam's Postelection Position Viewed**

962C0069A Seoul CHUGAN CHOSON in Korean  
25 Apr 96 pp 8-9

[Article by Kim Min-pae: "Selection of the Presidential Candidate Depends on Kim Yong-sam's Choice"]

[FBIS Translated Text] What will the "panoramic view" of the political terrain of the ruling party look like as the presidential hopefuls jockey for candidacy for the next presidential race to succeed President Kim Yong-sam? Speculation was rife before the recent general election that there would be a "free-for-all." Most observers speculated that in the wake of the ruling party's supposedly poor showing in the general election, nine presidential hopefuls would fight against one another in a free-for-all. They even anticipated a "leakage" in the powers of President Kim.

However, the actual results of the general election changed the old picture of the presumed intraparty rivalry for the presidency. The general election ended in a "victory" for the New Korea Party (NKP), which captured 139 National Assembly seats. Kim Tae-chung's National Congress for New Politics (NCNP) won 79 seats, and Kim Chong-pil's United Liberal Democrats

[ULD] 50 seats. The combined total of these two opposition parties (129 seats) fell short not only of the majority but also below the number of seats won by the NKP. More immediately, this outcome has contributed to stabilizing the foundations of President Kim's rule. Critics say the president has now come to hold the political initiatives securely in his hands in national as well as party politics. Needless to say, the picture of the presumed jockeying in the ruling party for the presidential candidacy now has to be redrawn as a result of the election outcome.

Change became apparent from what happened during the 13 April gathering at Chongwadae. The occasion was a "luncheon meeting in celebration of the victory." It was attended by 40 key NKP politicians, including Yi Hoe-chang, Pak Chan-chong, Yi Hong-ku, and Yi Han-tong—four of the nine presidential hopefuls. At the meeting President Kim extended his congratulations to the victors in the election and words of encouragement to the losers. He also reiterated his determination to continue the drive for correcting historical aberrations, the reform drive, and the fight against corruption.

A sign of change appeared in Yi Hoe-chang's address in reply. Yi, who commanded the election campaign at the forefront as chairman of the NKP Election Measures Committee, said: "Our party president was unable to get directly involved in the election campaign because he is also the president of our country. But we are grateful to him for giving us strength as our mental prop." That he said on behalf of all those present. He proposed a toast in these words: "I propose a toast to the health of our party president and the lasting prosperity of the party." These cordial remarks of Speaker Yi may be taken as a matter of "formality" customary at Chongwadae gatherings. However, one of the officials present said: "Speaker Yi's posture of showing respect for the president with full courtesy was apparent from his address." Considering Yi Hoe-chang's character, the official said that he felt something different in Yi's address.

But there is nothing out of the ordinary in the demeanor of Speaker Yi at this gathering. The race among the group of presidential hopefuls to be "in the good graces of the President Kim" is now in high-gear. Contrary to the pre-election speculation, there are none of those signs that the presidential hopefuls would launch forth like the water bursting out of a broken dam, raising their "banners" to muster their own contingent of supporters. Even the couple of them who were formerly expected to bring themselves closer to their goals by pressuring President Kim remain silent, with their mouths tightly closed. During the election campaign, five or six presidential hopefuls, burning with the desire

to run for the presidency, even outlined the directions of political reform they would pursue when they became president. But they have made an about-face as if they would say, "Tell me when I was like that?" They give the impression that they are trying their best to "read the mind of President Kim."

Only NKP Chairman Kim Yun-hwan is making an uncommon approach. He did not attend the 13 April Chongwadae luncheon. Returning to his regular duty on 15 May, he expressed his desire to "resign." The reason he gave was that he wanted "to give the president a greater latitude." One may interpret his readiness to resign as a political message he wants to convey to President Kim on several matters, including his displeasure with the rumor that is circulating among the inner circles of key ruling party politicians gave us—the rumor that he will be replaced as party chairman. But, according to observers, Kim's supposedly pending resignation seems to have nothing to do with "the presidential candidacy."

If so, how is the picture of President Kim being painted now? How is the old picture being changed in the aftermath of the general election? Now President Kim not only has brought his party's presidential hopefuls under control but also has gained complete supremacy over Kim Tae-chung and Kim Chong-pil, the two who were his major barriers to the road to the Chongwadae in the last presidential election. He has secured a nearly perfect "free hand" as the kingmaker in the game of presidential candidacy. At this juncture, what does he have in his mind?

Of course, no one can give answers to these questions with confidence. For one thing, President Kim himself keeps mum about these questions. But there are some signs, vague as they are, pointing to the general directions—signs such as the arguments about the anticipated post-election reshuffling of key posts in the NKP, the administration, and the National Assembly.

First, with regard to the party leadership, the argument that the party chairman should be of the "managerial type" sounds plausible. Also circulating is the argument that a collective leadership system consisting of potential presidential candidates on an equal footing should be instituted. Those who argue that the party chairmanship should be assigned to a managerial type do not want a potential presidential candidate to become party chairman. The proposed collective leadership system has a hidden motive to bar any particular potential presidential candidate from gaining an advantage over the rest.

In other words, for the time being nothing will be done to help any of the presidential hopefuls gain "influence." A Chongwadae official was more candid on this issue

when he said, "Under the circumstances when 1 and 1/2 years remain before the end of the presidential term, who would give the would-be successor the power to control the party?" He added, "most probably all discussions of the issue of the next presidential candidacy within the ruling camp will be barred until after the adjournment of the regular National Assembly session in late December." What he meant to say is that the party cannot stay awake all night arguing about the issue of the presidential candidacy when the figure "139" means a mandate to continue the globalization drive, politics of livelihood, and reform on the basis of this number, with an eye toward the 21st century.

Judging from this, President Kim is likely to issue an order to his party to "refrain" from any discussion of the presidential candidacy" during the reshuffling of party and National Assembly posts, or at the earliest chance before that. With the NKP is expected to choose its presidential candidate by competition in May 1996, "all discussions of the question of presidential candidacy" may be banned until a few months before the NKP National Committee is called into session.

Therefore, to fathom President Kim's inner mind about choosing his successor, there is no other way but to surmise it on the basis of his track record and the drift of public opinion as indicated by the outcome of the recent general election. The principal direction to which he has held fast until now is the principle that the basic framework of power is the presidential system. Another principle is that a successor must be selected by competition. In addition, he made it clear time and time again that in the process of this competition, he will make his wishes known and throw his support behind the chosen candidate. When it comes to the question of what type of person the candidate will be, most probably for now he will be at least of the "type representing generational change," heralding the end of the era of three Kims.

If so, whom will the president pick from among the following nine potential candidates? Four original party insiders, namely, Kim Yun-hwan, Yi Han-tong, Choe Hyong-u, and Kim Tok-yong; three who recently joined the party from the outside, namely, Yi Hoe-chang, Pak Chan-chong, and Yi Hong-ku; two non-party politicians, namely, Prime Minister Yi Su-song and Kyonggi Governor Yi In-che. What type of person he has in his mind?

A key NKP official said, "I understand that obviously, President Kim is in the middle of putting his thought in order in concrete terms." "I guess," said he, "the number in his mind must have been reduced to much smaller than nine." However, he added, "for President Kim, the



question of who has the capability of creating a next NKP Administration is bound to be the most important criterion." This means that the president will back up the man who is "likely to succeed" with a broad base of popular support. The same official added, "the person backed up by the party president should demonstrate the overwhelming support he has, as well as his leadership ability, in the competition for the candidacy. This means that the base of intraparty support is also an important factor.

In addition to these two conditions, said the same party official, answers to the following questions about each candidate can be important criteria: "Is he a type of leader oriented toward the 21st century?"; "Is he suitable to the civilian government?"; and "Is he a person capable of maintaining the continuity of the reform drive?" By these criteria alone, four or five out of the nine potential candidates will be automatically disqualified.

Regarding the rest of the criteria, the same party official said, "It all depends on the presidential hopefuls themselves." With all discussions of matters relating to presidential candidacy barred, the dual assignment President Kim has given the nine hopefuls in the wake of the recent general election is that in their search for the candidacy they should broaden their bases of public as well as party support by justifiable means.

#### **ROK: Kim Tae-chung's Postelection Position Viewed**

962C0069B Seoul CHUGAN CHOSON in Korean  
25 Apr 96 pp 8-9

[Article by Reporter Choe Ku-sik: "Kim Tae-chung's Fading Dream"]

[FBIS Translated Text] Kim Tae-chung polled more than 8 million votes in the 14th presidential election in 1992, but the National Congress for New Politics [NCNP] (which Kim Tae-chung heads now) polled only 4.9 million votes in the recent general election on 11 April. Even when the 2.2 million votes garnered by the Democratic Party [DP] are added, the sum of the votes polled by these two parties is still about 1 million short of 8 million.

During the campaign, the NCNP claimed that the general election would be a skirmish in the presidential election. When Kim Tae-chung cast away his "honor" and chose "reality" by returning to politics, the reason was quite obvious. That is why no sooner had the outcome of the general election been announced than the press called it a "defeat for Kim Tae-chung." Some observers even hastily speculated as to whether or not he would stay in the political world at all.

However, the first words he spoke immediately after the general election were contrary to all those speculations. NCNP President Kim said, "The results fell short of our expectation, but I do not think it was a defeat." He said his party was unable to achieve the expected results due to "the northerly winds" (meaning the ruling party's campaign strategy of making North Korean an election issue) and the "bankrolled electioneering." He not only refused to accept the defeat but also attributed the results to outside factors. He said, "if we put the party into better shape, we will be able to turn the table to our advantage."

In sum, the reasoning followed by his close aides runs like this: The NCNP won 79 seats, 14 seats more than the seats it had held before the generation election, and it is unreasonable to call this result a defeat. In terms of the number of votes polled, the NCNP polled 6 percent more votes than the number of votes the Party of Peace and Democracy [PPD], its predecessor, polled in 1987. In spite of this, can anyone call this a defeat? Some of the aides had this to say: "After Kim Tae-chung actually returned to politics, he won victory in the 27 June [local] elections, but has lost in the recent general election. The track record is, one loss and one defeat. Now that he has lost this time, chances are high that he will win next time around."

This line of argument may be taken just as a "superficial excuse" the NCNP is making for the purpose of "crisis management." If Kim Tae-chung were to admit the defeat in the general election, it would be bound to give rise to the demand that the party officials responsible for it step down. Under this circumstance, there is no other way of explaining away the election results. Besides, Kim Tae-chung must have thought that if he, the master, should look disoriented, it would end up endangering the very existence of the party. In this line of thinking, he might have been influenced by the feeling of urgency that if he were to admit the election results as a defeat, it would jeopardize his chances of success in the next presidential race, his clear objective when he broke his promise and returned to politics by casting away his "honor" lock, stock, and barrel. Despite all these considerations, it seems clear that Kim Tae-chung has no intention whatsoever to give up the next presidential race.

His judgment that there is a great possibility of the ruling party splitting seems to be behind the reason why despite his weakened position, he thinks that there is no reason for him to give up at this stage. Apparently, he is counting on the possibility that "some sudden change" will occur in the ruling New Korea Party [NKP], in which the presidential hopefuls are already jockeying for presidential candidacy. According to close



aides to the party president, Kim Tae-chung sees the possibility that a split in the NKP will change the political landscape itself.

In addition, Kim Tae-chung expects that the drift of public opinion will change once the new National Assembly is called into session. Traditionally, the National Assembly has been the propaganda forum for the opposition. There is a great possibility that from the outset of the new session of the National Assembly, NCNP President Kim will tenaciously press for holding a hearing on the [1991] presidential election funds [the opposition charges that former President Chon's slush funds were funnelled into the presidential election campaign of the Democratic Liberal Party [DLP], the forerunner of the NKP]. Through this hearing, Kim Tae-chung hopes to clear the cloudy atmosphere that has been created by his party's defeat in the general election and reverse the general drift of public opinion.

Riding the crest of the favorable mood of public opinion as he foresees, Kim Tae-chung is expected to make a choice from these three alternatives: once again bidding for the presidential post; choosing a presidential candidate by playing the role of a kingmaker; and suddenly agreeing to the call for an amendment of the constitution to introduce the cabinet form of government.

Prior to the 11 April general election, there were no other options than his bid for the presidency. In those days, when asked about the possibility that he will play a kingmaker's role, party officials tersely said, "Chances are zero." As an important objective of the general election, the NCNP declared [during the campaign] that it would try to secure the line of defense necessary to block the conspiracy to amend constitution aimed at introducing the cabinet system." Under these circumstances, the possibility of the NCNP agreeing to amend the constitution was completely ruled out.

However, the results of the general election seem to have caused some subtle change in the situation as it stands. First, critics say that Kim Tae-chung has lost much of his "independent power of influence" to take the lead in politics. It has become difficult for him to achieve anything without the cooperation of other opposition forces, difficult even to "block the move to amend the constitution." On the other hand, the United Liberal Democrats [ULD] and the Democratic Party [DP] are hardly expected to recognize his leadership. If the ruling NKP secures a majority in the 15th National Election by recruiting some DP assemblymen and independents, he is bound to see himself being pushed around by the ruling party. To be sure, he has also lost his "positive power of influence." All this indicates that his "dream" is fading away.

Kim Tae-chung's waning power will most probably work as a factor muddying the inner atmosphere of his party. At this moment the possibility of Kim Tae-chung playing the role of a kingmaker or pushing for an amendment of the constitution has not yet become an open issue inside his party. But this possibility has not been denied altogether — an indication of the changed situation. Depending on the circumstances, the possibility of an intraparty revolt cannot be ruled out completely.

When all is said and done, it is self-evident that despite the defeat in the general election, bidding for the presidency remains Kim Tae-chung's first goal. First of all, he will try to create a favorable atmosphere while for the time being watching the race for presidential candidacy inside the NKP. While trying to make it certain, above everything else, that he is the center of his party, he will most probably try to maneuver himself so as to turn the political stage into the arena of rivalry between Kim Yong-sam and Kim Chong-pil while cooperating with other opposition parties on an issue-by-issue basis. There are two weapons that will be used in this process: one is a restructuring of his party; and the other is an offensive against the ruling party, including the move to making an issue out of the election funds of the ruling party in the last presidential election. However, it is not clear whether the ULD and the DP will go along.

Most probably, Kim Tae-chung will not rule out a restructuring of the political world. In case the Taegu-Kyongbuk forces led by Hoju (NKP Chairman Kim Yun-hwan's pseudonym) bolt the ruling party, one can hardly rule out the possibility that he will stage a "reverse three-party merger" [of the NCNP, the ULD, the DP] by agreeing to Kim Chong-pil's demand for the cabinet system of government. Needless to say, such political restructuring may be in the realm of possibility only when Kim Tae-chung decides that he has no chance of winning the presidential race.

Kim Tae-chung may keep in his mind the possibility of merging back with the DP. But in view of the chemistry of the DP politicians, this possibility is very remote.

The possibility of Kim Tae-chung playing "the role of a kingmaker" is very slim as of this moment. The prevailing opinion inside and outside the party is that the kingmaker's role will be his last choice when he finds himself left with no other alternatives. With many of the NCNP's potential presidential candidates suffering defeat in the recent general election, there are very few potential presidential candidates left. Against this background, the opinion that an outsider is likely to be chosen as the NCNP's presidential candidate is

gaining ground in political circles. Nevertheless most of the NCNP assemblymen are noncommittal about this speculation except to say, "Well, I don't know."

If so, when will Kim Tae-chung make his choice? Speculation is rife in political circles that he is most likely to withhold his decision until after this year, whichever choice he may make. This, they say, is because now that his power of influence as "an independent factor" has diminished, he will have no choice but to leave his decision up to circumstances. In other words, in or about May or June next year, when the ruling party will pick up its presidential candidate, Kim Tae-chung will make his choice, whatever that may be, according to the situation prevailing at that time. However, if a split in the ruling party should surface early in the process of selecting its presidential candidate, leading, in particular, to the bolting of a specific personage from the party, there would be room for Kim Tae-chung to make an earlier choice.

Kim Tae-chung is scheduled to reshuffle the party hierarchy early next week. It will be his first "action" after his party's defeat in the general election. In this reshuffle, one may be able to read his view on the outcome of the general election and his future plans.

**ROK: Kim Chong-pil's Postelection Position Viewed**

962C0069C Seoul CHUGAN CHOSON in Korean  
25 Apr 96 pp 20-21

[Article by Reporter Cho Ku-sik: "Kim Chong-pil's Rough Sailing Through a Fog"]

[FBIS Translated Text] Now that the general election is over, more and more people are getting interested in what course of action Kim Chong-pil, president of the United Liberal Democrats (ULD), will choose to take. Among his possible options, the overriding interest is focused on the question of what choice he will make with regard to the next presidential election.

With the most decisive battle in his lifetime looming ahead, the question is whether he will come forward to take up the challenge himself for his own "immediate glory," or put up a handpicked young lieutenant as a presidential candidate to seek "glory in history." If neither of this is his choice, could there be any other choices? Many people have diverse views with regard to these and other questions.

To obtain a more accurate picture of Kim Chong-pil's position with regard to the next presidential race, a more comprehensive analysis is needed. This is because there is much room for misconstruing his intention by mistake. Other presidential hopefuls express their desire

in a more or less simple manner. To the contrary, Kim Chong-pil's style is such that he usually hides his real intention in the veil of all sorts of metaphors and analogies, and would reveal it once in a while only when he thinks necessary.

One thing is very clear with regard to Kim Chong-pil's position on the presidential race, that is, that he has never, not even once, clearly made his intention known. To the heretofore numerous questions as to whether he will run for the next presidency, he has never given a straightforward answer. Before the general election, he dodged the question by saying he would have to wait until the election was over. Now that the election is over, he again dodges the question by saying: "It is too early to discuss the matter now."

His "evasive tactic" became all the more refined late last year when he started using the expression, "How fresh and easy my mind becomes when I don't argue about irrelevant matters!" Each time he is asked a difficult question, he would give this same expression with a broad smile. He has made that expression his "official language."

Kim Chong-pil's evasive tactic has proved effective. First, it gives him so much room for maneuvering. Since he didn't say he would run, he does not have to say he won't; and conversely, he didn't say he would not run, he does not have to say he will.

Of course, proponents of generational change would argue, "You are too old for the job." But this argument did not carry much of a punch as proven in the general election. Moreover, he is not the only one who is subject to the same criticism. If he is criticized for being too old along with "his powerful colleagues on the same boat," he does not have to bother about it too much. That [his evasive tactic] is the first device he contrived in preparation for the presidential race. On this basis, he has two options to choose from. The first one is the path to the cabinet system. In this regard, his argument runs like this: "The presidential system, which is structurally prone to corruption, should be abolished and replaced by the cabinet system to suit the present level of development so that the power may be shared amicably." Ever since the inauguration of the ULD, he has persistently demanded the adoption of the cabinet system. Throughout the last campaign, he made the same demand. He used this demand as his principal weapon so much that some party officials counselled him to somewhat "refrain from it before the voters in the countryside who do not know the meaning of the cabinet system is."

In the view of his close aides, the results of the recent general election have provided a fertile soil for



introducing the cabinet system. In this connection, a high-ranking party official said, "While going through the recent election, Kim Tae-chung in particular must have felt more keenly than ever before that he would have a great difficulty in the next presidential election should he go it alone with no coordination with us." "If that is the case," said the same official, "there is room for seriously discussing the cabinet system." In the view of party officials, if and when the cabinet system is introduced, there is a great possibility that Kim Chong-pil will become the first prime minister under the new system. According to their reasoning, his power of influence aside, he has the priority from the point of view of his being the principal proponent of the cabinet system.

However, Kim Chong-pil himself does not expect that to happen before late next year. Each time he was asked about this issue, he would say matter-of-factly: "We will do our best to introduce the cabinet system. But as you know, the president insists he will not introduce it. That is why our party has no choice but to make preparations for its introduction according to the law." While routinely speaking of the cabinet system, in reality he is attentively looking forward to the other path, the second option.

This other path is the most feasible choice for Kim Chong-pil now; that is, the choice of bidding for the next presidential election. People say, "it is impossible for Kim Chong-pil to become president" as proven by the number of National Assembly seats his party garnered in the recent election. They argue that his party won no seat in Seoul and secured only 50 seats in all, including those returned from the national constituency at large; and that given this figure, he cannot even dream of aiming at the presidency. Nevertheless his staff members are confident that he has a winning chance this time. Han Yong-su, the ULD floor leader, a typical party official sharing that optimistic view, says: "Never before did Kim Chong-pil actually come as close to the presidential post as he is now. If we push him the hardest, he will get so much nearer. You will see it." According to Han, geographically, when the forces of the Chungchong area, Kangwon Province, and the Taegu-Kyongbuk area are brought together, and ideologically, when a grand conservative coalition is formed, a strong structure will be put in place that will find no match. This unity and coalition will be realized upon the initiative of Kim Chong-pil, Han says.

The NKP, too, will try to forge conservative collaboration. But ULD officials ask, Where can they find a heavyweight like Kim Chong-pil? These officials say that their party obtained only 50 seats because it had not enough time to find enough candidates to fill all

of the 253 local constituencies; and they hope that the presidential election game in which each party puts up only one candidate will be played in a completely different way. In reality, Kim Chong-pil seems to have been preparing for the presidential race. Signs can be found everywhere that despite his lip service to the cabinet system, in reality he has steadily been laying the groundwork for the showdown in the presidential race.

The most conspicuous occasion was the nomination of candidates in the national constituency. Floor leader Han Yong-su was in charge of the election measures committee. The principle that governed the nomination of candidates in the national constituency for the last general election, which reflected the desire of Kim Chong-pil almost completely, was officially aimed at establishing the image of the party as a national party covering all the constituencies through out the country without exception. But in reality this principle was used as a gambit more for the presidential election than for the general election. Nevertheless, the process of selecting candidates for the national constituency reeked more of a preliminary to the presidential election than this principle did. All of the candidates chosen in the national constituency are rich and have experience as an assemblyman. Observers said they can solve any electioneering funding problems under whatever circumstances. Contrary to the rumors circulating those days, there was little possibility that candidates were nominated in exchange for money. But it was often pointed out inside and outside the party that the nomination of those candidates was a move preparatory to a big showdown in the future.

As for the ULD's aborted effort to recruit former Prime Minister No Chae-pong, the party had persistently tried to draw him into it, hoping that if everything went well, his presence in the party would change the whole picture of the political landscape. Spurning the offer, No Chae-pong said: "Knowing that Kim Chong-pil's bid for the presidency is inevitable, I cannot join his party to act as his front man." It is a common view that Kim Chong-pil's bid for the presidency is a foregone conclusion.

However, his rivals are lying in ambush everywhere. The first group to apply the brake will be the Taegu-Kyongbuk forces inside the party led by ULD Vice President Pak Chol-won. On the day the successful candidates gathered for the first time to exchange congratulations with one another, Pak raised a signal heralding an intraparty strife in direct confrontation with Kim Chong-il. The signal drew the attention of quite a few party officials who have been unhappy about the Kim Chong-pil leadership. Advisor Kim Tong-kil did not remain calm either. This is to say that the patched-up heterogeneous forces within the party who were waiting



quietly until the general election was over are now regrouping according to the degree of their allegiance to Kim Chong-il. To be sure, President Kim Yong-sam will not watch with his arms folded while Kim Chong-il is charging forward.

Needless to say, Kim Chong-pil's own choice matters most. Politics in our country will get complexly entangled until late next year, depending on the light in which Kim Chong-il views himself and the kind of choice he makes in the period of transition on the threshold of the 21st century.

**ROK: Competition Said Intensifying in Auto Market**

SK0306111196 Seoul YONHAP in English  
0854 GMT 3 Jun 96

[Report by Yi sok-ki]

[FBIS Transcribed Text] Seoul, June 3 (YONHAP) — Competition in South Korea's auto market is intensifying, with large multinational automakers throwing in their best models for a share of the ever-expanding market.

The expected head-on crash of domestic and foreign auto makers is not limited to the luxury car market, however: It also includes small cars, the largest segment of the Korean market.

Domestic automakers are ready to meet the challenge of foreign carmakers in the upscale market by introducing their own large sedans. But the question is how they will cope with competition in the mid-level market as foreign car makers are pushing their small cars with large discounts.

Foreign automakers, having extensive experience, are hoping to capture at least 10 percent of the 1.5 million-vehicles-a-year market in Korea in the near future.

Korean automakers' competition with foreign car makers also extend to the world's major markets in an effort to boost sales.

Cadillacs, Lincolns, Mercedeses, BMWs, Tauruses and Avalons are no longer cars that Korean travelers marvel at in foreign countries, but can now be seen in traffic in major Korean cities.

What local buyers have to do now is to visit one of the many sales outlets for these luxurious autos and buy one, possibly on very easy credit terms offered by foreign auto sales companies. A number of such firms have recently announced a 36-month, interest-free installment financing plan to sell more cars.

Industry sources see the most intensive rivalry developing in the market for 3,000-cc [cubic centimeters] engine sedans, with many automakers poised to introduce such models.

Last year, some 30,000 of what are locally called large sedans, cars with an engine capacity of 3,000 cc, were sold. The leader was Hyundai motors' Grandeur, powered by a Dohc engine with 2,500 cc, with 16,000 units.

Chrysler has already made inroads into the market with its Stratus and Eagle Vision models, both with engines as large as 3,000 cc; Ford is set to introduce the Taurus and Toyota its Avalon into the Korean market.

Not to be outdone by foreign rivals, Hyundai, the nation's largest automaker, has just unveiled the Dynasty, and is counting on it to compete against its foreign rivals in the 3,000 cc market.

The Dynasty comes in two models: one with a 3,000 cc engine, and the other a 3,500 cc V-6 engine, priced at 34.5 million won (44,200 U.S. dollars) and 41.4 million won respectively.

Making the competition even fiercer, Kia's T-3 is slated to be put on the market this fall, and Daewoo already has its Arcadia. The Daewoo luxury sedan, with a 3,206 cc engine, is a locally assembled version of Honda's Acura Legend. Two versions are available: the LX Arcadia at 35.1 million won and the Arcadia Royal at 42.3 million won.

The Toyota Avalon starts at 40 million won, which just about matches the prices of the Dynasty and Arcadia.

With the Ford Taurus selling for 33.8 million won and Chrysler's Eagle Vision, with a 3,500 cc engine, going for 38.6 million won, however, some dealers might have to offer lower prices.

The economy- and mid-level car markets are also heating up, with foreign car models like the Ford Mondeo and Chrysler's Plymouth Neon being lined up for their local debuts. The Neon was dubbed the "Japan killer" after it went on sale in Japan for the first time ever this year.

Reports say Neons are being marketed between 1.3 and 1.8 million yen in Japan, slightly more than their 10,000- and 13,000-dollar price tags in the United States, depending on model and engine capacity. Neons come with an engine capacity ranging from 1,300 cc to 1,600 cc.

Foreign automakers have every reason to try getting a piece of this lucrative market, where sedans with engine capacities ranging from 1,300 cc to 2,000 cc are sold.

The hottest-selling car in South Korea last year was the Hyundai 1500-cc Avante, with 145,434 units, followed by the Hyundai Accent with 93,200. Approximately 566,000 small sedans and 430,800 medium-sized (1,800 cc to 2,000 cc) passenger cars were sold here last year, with the prices of small cars ranging from anywhere between seven to 12 million won.

Chrysler has not yet decided on the Neon's Korean price tag.

From what industry sources say, foreign carmakers are going to be very flexible about price in Korea. Ford, for example, will offer large discounts on its cars in Korea: the company has decided to offer its Lincoln Towncar (4,600 cc) for 57.5 million won, some 12 million won less than it had sold for through Korean dealers.

Ford now has its own sales network closely supervised by its Detroit headquarters.

The 1,600 cc Ford Mondeo, with its smartly designed body and airbags for both front seats, is very competitively priced at 16 million won.

Reports have also said that foreign carmakers will leave it up to their agents to set prices for their cars.

A number of foreign automakers have begun to expand their Korean sales network and have taken steps to increase and revamp maintenance repair shops for customers.

Chrysler Korea is reportedly prepared to spend 10 billion won to increase the number of its maintenance shops around the country to 16, mainly in large cities including Incheon, Taejeon, Taegu, Kwangju, and Pusan.

BMW has been in the process of building a large maintenance shop in Seoul capable of handling 100 vehicles at one time, as well as nine sales branches in large cities across the country.

The German Automotive Giant is all set to operate several 24-hour phone services to counsel its customers on maintenance, with repair crews to be on standby round-the-clock. Customers will also be given a BMW loaner car while theirs is being repaired.

Mercedes-Benz will also open a large service center next month in Incheon and another one in Pusan by the end of this year.

Korean automakers, while locked in a fierce global competition against these foreign automakers here, are challenging such firms on their own home turf.

In Poland, for example, Daewoo motors is engaged in stiff competition with General Motors, Fiat, and a number of German and French firms after its takeover of a Polish auto company. It is planning to produce

the Nexus economy model with parts imported from Korea, and will later turn it into a full scale auto manufacturing operation with an annual output of some 500,000 vehicles by 2000.

Daewoo has also taken over a Romanian auto complex and plans to produce 200,000 Cielo and Espero compact sedans annually by the next century.

South Korea exported 800,000 vehicles, mostly sedans, to 180 countries worldwide, excluding those made on a knock-down basis.

#### **ROK: Petrochemical Industry Shows 'Improvement'**

*SK0106225696 Seoul THE KOREA ECONOMIC WEEKLY in English 3 Jun 96 pp 18, 19*

[FBIS Transcribed Text] Since 1991, the Korean petrochemical industry has experienced difficult times, recording huge deficits due to rapid production expansions and declining price levels because of world demand-supply imbalances. But since mid-1994, operation levels at most petrochemical plants remained high and companies' profitability improved thanks to the worldwide economic recovery.

"On the home front, the Korean petrochemical industry has seen a substantial turnaround from the poor economic performances in the early 1990s due to the worldwide economic downturn and an acute excess supply of petrochemical products," said Yi Chung-hwan, chairman of Korea Petrochemical Industry Association.

"Last year, the world petrochemical industry recorded relatively stable growth. Though the industry suffered temporary setbacks in the business environment stemming from seasonal factors or abrupt policy changes in particular countries, the overall stability in oil prices and the recovery of demand for petrochemical products made it possible for the industry to achieve a satisfactory business performance without much difficulty," Yi said.

Although there was reduced production and lowered prices in 1995, due to declined Chinese imports, most Korean plants showed relatively higher operation rates and profitability improvements than previous year.

In terms of ethylene in 1995, the production level was 3.736 million MT [metric tons], a 2.2 percent increase from the previous year, of which 91 percent, 3.415 million MT, was domestically consumed and 321,000 MT was exported.

The total production for the three major product groups — synthetic resins, synthetic fiber raw materials, and synthetic rubbers — was 9.063 million MT in 1995, a

9.9 percent increase from the previous year, of which 66 percent, 5.974 million MT, was for the domestic market and remaining 3.089 million MT was exported.

From the supply-demand point of view, the total demand for ethylene was 4.029 million MT in 1995, a 7.3 percent increase from the previous year, of which 3.415 million MT was produced domestically and 614,000 MT was imported. The demand for ethylene derivatives was 67 percent, 2.7 million MT, for domestic consumption and 33 percent, 1.328 million MT, for export. So the trade balance of the Korean petrochemical industry in 1995 had a surplus of 1.035 million MT.

#### Supply and Demand of Petrochemical Products

The total domestic demand for the three major product groups — synthetic resins, synthetic fiber raw materials, and synthetic rubbers — was 7.228 million MT in 1995, a 4.5 percent increase from 6.915 million MT in 1994. It was a far lower level from the expected 11.5 percent, caused by the decrease in demand for synthetic resins.

The total demand for synthetic resins was 3.627 million MT, a 1.5 percent down from the last year. PE, PP, PS, [expansions unknown] which showed a high demand growth rate, decreased because of the maturity of commodities and less export due to weakened competitiveness.

In the case of synthetic fiber, the demand for raw materials was 3.393 million MT, an 11.6 percent increase, due to increased domestic demand for synthetic fiber, increased export levels, and capacity expansion of the related process industries. The demand for TPA and EG that are used for the polyester production increased by 9.5 percent and 21 percent from the previous year (to 1.720 million MT and 885,000 MT, respectively) due to rapid expansions and new plants. The demand for AN [expansion unknown] and caprolactam pushed up to 8.8 percent and 3.6 percent from the previous year (332,000 MT and 326,000 MT, respectively) due to the increasing demand for the non-fiber products.

Substitutions of expensive natural rubber and increased demand in tire production resulted in an 8.1 percent increase in demand for synthetic rubber, a total of 208,000 MT.

As for the supply of the major product groups, the total production reached a level of 9.063 million MT, a 9.9 percent increase from the previous year, resulting from the increasing export of synthetic resins and new and expansions of plants [as published] for the several products, including TPA [expansion unknown].

The total supply of synthetic resins was 6.155 million MT, up 5.1 percent from the previous year and

synthetic fiber and rubber were 2.635 million MT and 272,000 MT (23.8 percent and 3.5 percent increase, respectively). In the case of TPA, the production was increased to 1.923 million MT, up by 34.4 percent because of capacity expansions and increasing demand.

The total export of the three major products was 3.089 million MT, up by 22.3 percent from last year, which was caused by increased producing capacities and strong marketing efforts for export. The level synthetic resins, the major export products, was increased to 2.670 million MT, up by 14.8 percent.

In detail 534,000 MT of LDPE, 584,000 MT of HDPE, 842,000 MT of PP, 575,000 MT of PS/ABS, 135,000 MT of PVC [polyvinyl chloride; other expansions unknown] were exported last year. Up to 328,000 MT synthetic fibers were exported, including 88 percent of TPA. The export of synthetic rubber decreased 19 percent to 91,000 MT because of the rapid increase [in] domestic demand and capacity limits.

Import growth trends have decreased, but recorded, in 1995, an increase of 1.254 million MT, (up by 5.1 percent from the previous year, which was slightly higher than the domestic growth rate), due to the continuing import of several products such as synthetic fiber materials. The import of the synthetic resin and rubber decreased, while the synthetic fiber raw material recorded a level of 1.086 million MT (increased by 8.8 percent than the previous year) due to capacity limits.

"The vitalization of exchanges between North and South Korea, creation of new demands through the development of high capacity, special grade materials, and the active implementation of globalization strategies will prove to be important variables for increasing future demand," said Chu Chun-sok, assistant minister of the Ministry of Trade, Industry and Energy (MOTIE).

#### Prospects and Tasks for 1996

The Korean petrochemical industry is expected to show a lower growth rate in 1996 because of the following reasons: a declining economic growth rate, the maturity of petrochemical products and the increasing self-sufficiency levels of major Asian petrochemical-importing countries.

The growth rate of the domestic market for major petrochemical products is expected to be less than the Korean economic growth rate. This is due to the maturing commodities market and increased imports of processed products. The demand for TPA and EG [expansion unknown] for the polyester fiber may increase with more exports because the fiber products already increased and have plans to increase the capacities for the export.

The export of synthetic resin will be slightly higher than last year because of the increasing self-sufficiency



rates in Asian petrochemical-importing countries and the production limit capacity in Korea. The export of synthetic rubber, however, will increase remarkably from the middle of this year, with newly-completed facilities of SBR and BR (expansion unknown).

The supply of major product groups will increase by approximately 10 percent, if the forecast for domestic demand and export is realized. Especially, the production of raw material for synthetic fiber and rubber will increase on a large scale. For ethylene, also, the production will be increased by 4.5 percent from the previous year to 3,905 million MT of which 3,673 million MT for domestic consumption and 232,000 MT for exports.

Therefore, the Korean petrochemical industry cannot expect a high growth rate as in the past, but can expect to grow steadily with continually high operation rates.

Since the prices of petrochemical products are highly dependent on supply and demand, and several items have already achieved a higher supply level than its demand, there is a possibility to have a depression for certain products. In addition, international competition will intensify because many countries are planning to build or expand their production capacities.

Developing countries are looking to raise their self-sufficiency ratios while the Middle Eastern oil-producing countries are aiming to become more industrialized and increase their production of value-added products.

As well, in Korea, there are increasing investments in capacity- expansion for sections that require more supplies like synthetic fiber raw materials. Recently, the investments tend to expand even to oversupplied sections.

Therefore, one of the major issues for the Korean petrochemical industry is to choose the right direction in order to advance and cope with those challenges. Another issue is to secure basic raw materials, including naphtha from which depends on exporting other countries. Short supply is expected from the middle- and long-term perspectives. A proper counterplan for the environmental regulations and environmental safety is another issue which remains to be enforced.

Korea's Export Status of Petrochemical Products (unit: million)

Country	'95(1st quarter)	'95(2d quarter)	'96
1.China	1,897	528	538
2.Hong Kong	865	209	164
3.Indonesia	359	85	83
4.Japan	346	64	69
5.Taiwan	326	87	98
6.India	278	42	73
7.Thailand	199	42	49
8.Philippines	164	46	52
9.U.S.	125	43	24
10.Belgium	86	20	16
Others	1,114	269	265
Total	5,759	1,435	1,432

**Forecast on the Supply and Demand of Petrochemical Products Worldwide**

	'90	'93	'95	'97	2000
Production Capacity	62,880	73,100	81,000	86,510	94,830
Demand	56,410	62,885	70,210	77,520	87,690
Operation Rate (%)	88	84	87	90	93

(Figures are based on ethylene production.)

## Burma

### Burma: Article Views 'Flood' of Japanese Banks Opening Offices

BK0506024496 Bangkok ASIA TIMES in English  
5 Jun 96 pp 1, 2

[Report by Stephen Brookes]

[FBIS Transcribed Text] The trickle of Japanese banks into Myanmar [Burma] is turning into a flood, with eight of Japan's 10 largest banks expected to have set up representative offices in Yangon by the end of the year.

"The Japanese banks are latecomers," said Akira Matsunaga, a Japanese diplomat in Yangon. "But this is the tendency with Japanese banks: As soon as one opens a branch, the others quickly follow."

Japan's biggest bank, the Bank of Tokyo-Mitsubishi, opened a representative office in Yangon last August. Then came Fuji Bank in December. And Sumitomo Bank recently announced plans to open an office, followed on May 31 by Tokai Bank.

In addition, Asahi, Dai-ichi Kangyo, Sakura and Sanwa banks have submitted applications for representative offices, and are expected to open them this year.

"The foreign banks have full confidence, especially the Japanese banks," said Minister for Finance and Revenue Brigadier General Win Tin.

"They're very interested. Leading groups are coming from Japan to invest, and they know there must be Japanese banks to assist the Japanese investors," he added.

Only two of the top 10 banks, Daiwa Bank and Hokkaido Takushoku, have no plans to enter Myanmar. Daiwa has been restructuring its overseas operations, while Hokkaido Takushoku is said to have a number of non-performing loans that are hampering its ability to expand.

For the major banks, having a presence in Myanmar is a growing necessity.

"We get so many requests from our clients about investing here, especially from small and medium-sized companies," said Satoru Takahashi, the chief representative of Bank of Tokyo-Mitsubishi's Yangon representative office. "With the strengthening of the yen, manufacturers are looking for new sources of low-cost labor and resources ... I see an average of three Japanese groups a day."

While foreign banks are not allowed full branch status, some 39 foreign banks have been licensed to open representative offices, and 25 have already done so.

Myanmar has been gradually liberalizing its banking sector since 1990, when it legalized private banks. The second surge began last December, when the government sorted allowing local banks to form joint ventures with foreign banks.

A third phase is expected to start in another few years, when foreign banks will be able to set up full branch offices.

The representative offices are only allowed to provide information to their clients, but that is a commodity that is in hot demand in Japan, where Myanmar's low productions costs and economic potential are a source of fascination.

"The big trading houses can get information for themselves," said one Japanese businessman in Yangon. "But for smaller companies, their only source of information is the banks."

Japanese corporations have been coming into Myanmar steadily over the past year; Marubeni, Mitsubishi and Mitsui Engineering all have an important presence, and Nissan opened its first showroom in Yangon on Tuesday.

But smaller companies are just sorting to look around, and many are scared off by Myanmar's weak infrastructure.

"Most of the small manufacturers who come here never come back," said one Japanese analyst. "They see the congestion in the port, the energy problems, and the difficulties of bringing in materials. For the small companies, it's too early."

In fact, Japan still ranks eighth in terms of investment in Myanmar, behind such countries as the UK and the US. Japan's Ambassador, Yoichi Yamaguchi, recently noted that Japanese corporations were called NATO in Myanmar. "It stands for No Action, Talking Only," he explained.

But bankers and Japanese businessmen agree that once official development aid (ODA) grants are fully resumed, development could move ahead rapidly.

In 1995, Japan gave Y2.5 billion (US\$2 3.2 million) in ODA grants to Myanmar, the first since 1988.

"Myanmar needs everything," said one Japanese banker. "There are so many projects, but no money. If ODA reopens, many Japanese companies will benefit. So we all expect it to reopen soon."



**Burma: Gas Pipeline Project Causes Widespread Human Rights Abuses**

BK0506010796 Melbourne Radio Australia  
in English 0630 GMT 4 Jun 96

[From the "International Report" program]

[FBIS Transcribed Text] A new report says the building of a major gas pipeline in Burma has led to widespread human rights abuses, forced labor, and summary executions. The multimillion dollar joint project involving the French company Total and the American Unocal will pump gas from Burma's territorial waters to the rapidly increasing energy market in Thailand. Evan Williams reports; the report by two non-government humanitarian groups says increased security operations against armed insurgents in the area have contributed to the abuses.

[Begin Williams recording] More than any other foreign investments so far, the gas pipeline embodies the huge gains and big risks since dealing with Burma. It will earn the military government \$400 million a year in gas sales to Thailand, that is a major boost to a regime internationally condemned for refusing to talk with the party the people chose to run the country and willing to detain any in its path to retaining substantial power. But, the pipeline has also become a test case for the ties between foreign investors and the government's often excessive practices.

The report tries to stress no foreign company dealing with Burma can divorce itself from the practices of unaccountable military government. Researchers say the companies are making sure work on the pipeline itself will be well supervised and paid, but the report says work on the infrastructure and similar work needed for the pipeline is not. In fact, it is using the same forced labor every other development is based on in Burma. The government calls it voluntary labor and says the people make merit from it. Human rights groups say they have no choice and it often involves children. But, as the pipeline is also in an armed insurgency area, the report says one of the biggest problems is the need for increased security to protect the project and its workers. The increased military presence has also increased forced labor, it says, for other development projects associated with the increased military presence. This, it says, has directly led to all the problems associated with increased security anywhere in Burma, from rape and torture to extra-judicial killings and forced portage.

Since the foreign companies are directly responsible for dozens of new battalions in the region, they cannot deny the charge that their investment directly contributes to this very severe form of forced labor in Burma, the report says. Based on hundreds of testimonies

from the people who have fled the area, the report says unaccountable abuses by the military are in fact increasing. Due to increased security the human rights abuses that go hand in hand with the military presence have also increased, the researchers say. It says there have been three attacks on buildings connected with the pipeline project, at least one has been denied by the French company Total. But, the report says, at least 10 ethnic Karen villagers were murdered by the military in retaliation for the latest attack and threats to wipe out entire villages had been used to subdue surrounding areas. [end recording]

**Burma: Article Reviews Current Political Situation**

BK0406103396 Rangoon THE NEW LIGHT OF  
MYANMAR in English 4 Jun 96 p 3

[Article by Byanti]

[FBIS Transcribed Text] When Myanmar Naing-Ngan [Burma] regained Independence on 4 January 1948, Goshal who was at that time in India condemned Myanmar's Independence in an interview in PEOPLE'S AGE newspaper. Later back in Myanmar, he presented a paper "On the present situation in Burma and tasks" to the Communist Party.

That paper was just a copy of Indian Communist Party leader Ranadive. Some people may not know that he was the one who instigated to send India's independence and communist party into the gutter free of charge.

The said "Goshal plan" was accepted by Thakin Than Tun. Then it was accepted through the Politburo by the Central Committee meeting as well. Furthermore it was moved to be accepted by the party conference. It was accepted for practical implementation at Pyinmana conference. The Burma Communist Party, after having accepted the Goshal plan, attacked the Nu-Attlee Agreement, Pointing at Letya-Freeman Agreement, it propagandised that Myanmar had not become really independent and there was no independence in military and economic affairs. Because of such propaganda, those close to communists easily went along where led by the communists. Goshal plan came to be accepted in the party.

It is necessary to see that Goshal plan was in contravention of regular official activities of the Burma Communist Party. The Burma Communist Party had to take action and give a warning to Goshal for bringing forth a new programme without the approval of the central committee. As it was an action the party could not avoid taking under party disciplinary rules, it must be said to be only for appearance's sake. It was something done just to make it sound proper to others. However the Goshal plan had won acceptance and approval.

Because I have set out to write some portions of this matter, readers might wonder what I want to say. Right. What I want to say is about the actions of the party under which we had sought shelter at one time. The intention is to bring to the notice of one and all the fact that, as in the case of the Burma Communist Party, copied policies, programmes and plans, accepted without reservation upon sole individual personal wish of the woman said to be the leader, were made to be accepted by the party through enticement and pressure and hammered into the mould. The main point meant is to bring to notice how she is going the same way as her uncle's Burma Communist Party.

Is it not a fact that writings of American thinker and writer Henry David Thoreau of 1940 once overwhelmed the party as the programme of head-on confrontation? At that time, although the party leader woman was able to carry on without any perturbation in her daily wearing multi-coloured flowers and playing aerobics, some colleagues and associates and some blood-boiling youths had to experience discomfiture in their daily life and diet.

Now, again, there has come out what is called the way of political defiance on the basis of the writings of Gene Sharp, an American masterminding tout; and there have been moves of pursuing and gathering momentum in those way and styles. Had the government, true to its nature as a military government, taken drastic action according to ordinances and laws there would surely have been in a row phothudaws (white-robed acolytes) spending time in white robes at Insein Tawya (hermitage far away from habitat).

The Burma Communist Party had set about to hold the conference at Pyinmana where their political strength was good. The Politburo had approved the Goshal plan. So did the central committee. So it was, right up to the party conference. The Pyinmana conference was held to get massive support of the people for the Burma Communist Party's programme of armed revolution.

The National League for Democracy (liberated area) formed with those who skipped out bending under the skirt-hanging clothesline and wriggling though the dog gate in the backyard absconding representative, case-evading debt-evading party members — and runaway groups formed in parallel had directly copied and translated the paper titled "From dictatorship to democracy" that is a masterminding writing of American tout Gene Sharp. There are undeniable facts that the present party's politburo gang masters had already known and got this paper. Their *modus operandi* fit in exactly. They were carrying out the dictates in that paper. It was to get the

support of the majority of party members for those actions that the meeting was convened.

In February 1948, the World Democratic Youth League and World and Students League held the South-East Asian Youth Conference in Calcutta, India. It was attended by delegates from the red headquarters of Burma Communist Party. As the Indian Communist Party was holding the second conference at that time, Thakin Than Tun himself led the delegation and attended the conference. Burma Communist Party leaders established close relations outside the country at those conferences. The desire to depend on those outside the country penetrated deeply into the minds of the communists.

The Soviet Union's becoming strong enough to stand rivaling capitalist powers such as America and Britain, the Chinese communists' gaining victories, and the east European communist countries emerging on the world scene were things that made the Burma Communist Party day-dream.

In the same way, certain party politicians, those doing politics for a living crookedly, those absconders and fugitives with mean and shabby historical back grounds, those who claim themselves as lovers of democracy, from the National League for Democracy and its overhanging shadow, riding on the possessed carriage of external espionage gang members, made devious approaches and gained chances to attend meetings and conferences including non-governmental ones and politically exploit it. Although it was not that they were deservedly attending them with official recognition, it was made to appear blurrily as if they were doing so officially, due to the penmanship of the media abroad.

External elements were encouraging internal axe-handle supporters merely to enslave, dominate and subjugate Myanmar Naing-Ngan but the latter were mollified by it and went deeper and deeper down the abyss of foolishness. Seeing puppets and puppet governments emerge whiz bang in some countries in the region and some countries in the world, the puppet males and females in Myanmar began to day-dream, and kept wagging tails, even knowing there would be manipulators of the strings.

At Pyinmana conference, Thakin Than Tun became utterly conceited. It was a time of paucity of festivities, a time when it coincided with time free from farming work and there were also those who came there out of curiosity to see if the one called Thakin Than Tun was one with horns, white, black, lean, fat, short or tall or good-looking and so on. That assembly of people was thought to be those who unreservedly supported the Burma Communist Party. In that situation, communist representatives who came from abroad turned the screws



to the last thread on Thakin Than Tun, with the result that his blood rushed up to his temples and he did whatever he thought to his utmost.

It could not be said it was a hereditary disease, but when it came to the niece's turn, too, what happened was quite similar. The people have come to know the woman was in the habit of doing what she thought in a foolhardy way, like the proverbial blind person not being afraid of the ghosts. Before or after such a realisation, people forming crowds to see her, laughing and clapping, constituted no political support, they came not because they like words of essence and value too much. The woman is getting it wrong.

There came about crowds University Avenue because people took interest in her as Bogyoke Aung San's daughter, because they heard she was so good at speaking insinuatingly and because of the inherent tendency in those who had nothing to do and indulged in easy uncaring living bent on fun just being in crowds. It was not because they loved democracy too much, not because they wanted to make her their leader, not because they wanted to give her recognition. Even a trishaw peddler, in the very least, had his own job and would not go there, thinking of forgoing a day's income if he went there.

Foreigners' coming there is no big deal, either. Foreigners do not understand anything said by her and the two jesters. Foreigners with integrity are ones who have to be on the move with the time. Some came after hearing from word of mouth to see what it was with so many people. Foreigner guests who have integrity would not do such a thing as to get into this corner and that corner in a soily way, tarrying and bearing with tiresomeness for no reason at all. In connection with those who came and went rushing in and out in cars, I decline to air any opinion.

The exaggerations passed on by foreigners who did not understand Myanmar language but who wrote and spoke enlarging it out of proportion, misconceiving as words on democracy the jokes drawing peals of laughter and clappings were also among the causes of bolstering her name.

At this, the miscalculating lower-way masters and democracy saviors abroad stepped up their machinations of advising the woman in devious ways, instigating her, showing the ways, creating conditions for synchronising actions, exerting pressure to her advantage, exercising coercion and making demands. It is not something to be feared by Myanmar people but care must be taken.

The meeting that they were bragging about drearily as having been completed successfully recently was

not so important after all. It was not a consultation or a meeting, it must so be said. It was just for an exercise in insolence to persons of importance and persons authorised to speak within the party. It was just reading of papers prepared in advance. I cannot see nay excuse for their saying it was the true voice of the people. It was not much different from the working methods and styles of the single-party system.

When had the party's elected representatives who were not involved in passing those resolutions singed the passage of those resolutions in advance, for justification of the claim that it had been accomplished successfully? Not reducing a pya from the assertatives were elected representatives, be they in prison or anywhere for that matter, is just treating the people as 'fools'. The Election Commission is not Yegyidaw Wut Association. Doing blatantly what one wanted utterly ignoring in gross contempt of the decision of the Election Commission, the turning down by the Election Commission, is disrespect for the law and partisan and personal insolence.

Now too, it was claimed recklessly they were writing the Constitution. One single party turning its back, giving the pretext and finding fault with the National Convention going on with the participation of representatives from various strata of masses and classes to get basic principles for the Constitution, and saying it was writing the Constitution to its own liking is a gross insult to the establishment of the sovereignty of the State.

Royal brother Maung Sein Win (a runaway from the country) and group, too had written one Constitution. The group called DAB [Democratic Alliance of Burma] at the border too had done likewise with the help of Ye Kyaw Thu and Tin Maung Win and co Thanmani Bo Khin Maung's democracy htwet-yat-pauk [psychic] Daw Nyunt Tin gang too had done it. In the end, all those ended up as toilet paper, Shame!

It is no matter the unlawful groups set up outside the country are writing as they like if only to justify their living on what they are being doled out, or to get dollars no matter how little, or to be given some bales of used clothes, but if a party officially registered with the Elections Commission would so write and act thereon, it is of grave danger to the country. It cannot be condoned before law.

In a BBC interview, the woman said the draft constitution was being written as assigned by the meeting. Why did she not speak out that the meeting gave this assignment at their whim?

Be that as it may —

If a single party writes the Constitution to its own liking and exerts pressure and coercion to jeopardise



the political stability, it is only left to designate that party an unlawful association. If it becomes an unlawful association, the existing government would have to take action to the extent of its sovereign powers against founders, members and controllers of that unlawful association. (The Burma Communist Party too was declared an unlawful association, therefore it decline to the state of being harnessed by outside elements, and finally to the ugly end of its own story as traitors to the national cause).

One cannot say 'wait' when it comes to such a situation. One cannot say 'sorry.' One has probably heard of the expression 'very sorry — in the tawgyi [big forest]'.

**Burma: Pro-SLORC Rallies Held in Pa-an, Bhamo, Lashio**

*BK0506052596 Rangoon TV Myanmar Network in Burmese 1330 GMT 4 Jun 96*

[FBIS Summary] A mass rally attended by 53,350 people from various townships in Karen State was held at the Aung Thanlwin Sports Grounds in Pa-an on 2 June. The rally was held to express support for national construction efforts of the State Law and Order Restoration Council, SLORC, and to denounce "destructionists."

Addressing the rally, U Laurence Zaw, presiding chairman of the rally, explained "the four essential tasks — the prevalence of law and order, smooth and safe transportation, extensive participation by the cooperative and private sectors in the national economy, and the establishment of a multiparty democratic system as desired by the people" — implemented by the SLORC since its assumption of power following the events of 1988. He then elaborated on the SLORC's achievements on the political, social, and economic fronts. He said that "race-destroying destructionists" who are envious of "the prevailing stability in the country, the progress on all fronts, and the future prospects for continued progress are trying to create conditions similar to 1988 with the help of foreign countries and public media." He called on the people to crush these elements and express support for the SLORC's national construction endeavors. The rally ended with the shouting of slogans following the "unanimous endorsement" of motions denouncing "destructionists" and supporting the SLORC's national construction endeavors tabled by speakers at the rally.

A similar rally attended by 46,000 people from three townships was held in Bhamo on 31 May. Another rally attended by 59,000 people was held in Lashio on 1 June.

**Burma: Editorial Praises Peace, Warns of 'Fragmentation'**

*BK0406160696 Rangoon THE NEW LIGHT OF MYANMAR in English 4 Jun 96 p 6*

[Editorial: "Peace, or Pieces?"]

[FBIS Transcribed Text] Peace, or pieces? This is a question which must essentially be asked in the light of developments which are rather disturbing. There is an ongoing movement by quarters hostile to the present Tatmadaw [Defense Services] government designed not only at destabilizing the situation but also at pushing the Union toward fragmentation.

The vast mass rallies which have emerged as a result of public indignation over the unsettling situation is an overwhelming endorsement of what the people, the State Law and Order Restoration Council, and the Tatmadaw have achieved together gradually in the years since 1988.

The group whose leader waxes eloquent on unsubstantiated or unsatiable claims has been engaged in both covert and overt designs orchestrated by its external cohorts to discredit whatever the government has done and in so doing has brought disgrace to the nation because these negative utterances have been taken by the gullible abroad as truth.

Far from it. Those who have heard the concoctions abroad and have visited Myanmar [Burma] have found what they heard and what they actually saw totally different.

Years of hard work which had brought good results cannot be ignored by anyone in his or her right senses. Due credit has to be given. Yet the group which sees or chooses to see only the dark side of things will not acknowledge what has been achieved.

Possessed of the devil that is bewitching them from abroad, they seem to be thinking the entire people will buy what they have churned up.

Far from it. People today are more enlightened than ever before, having witnessed the bitter experiences, or suffered them, and can ill afford to be swayed by rumours churned up by those outside the country who cannot bear to see what is being done in the best national interest.

The millions who have taken part in the mass rallies are not that easily swayed. They have expressed their firm conviction that given the peace and stability that prevails today, they will be able to move toward a new era of multiparty democracy along the path paved by the State Law and Order Restoration Council.

The masses attending the rallies have consistently denounced the atrocities of subversives and their alien cohorts and expressed their firm support for the positive action recorded by the government.

Their sentiments can be summed up in their slogans — oppose those relying on external elements, action as stooges, holding negative views; oppose those trying to jeopardise stability of the State and progress of the nation; oppose foreign nations interfering in internal affairs of the State, and crush all internal and external destructive elements as the common enemy.

The people's desire thus expressed puts on notice all who might harbour traitorous intentions, for they will not be tolerated.

What is being put together is peace, not to shred the Union into fragmented pieces.

### Brunei, Malaysia & Singapore

#### Malaysia

**Malaysia: Mahathir Proposes 'Europe Watch' for Racism, Immorality**

BK0506091296 Kuala Lumpur THE STAR in English  
5 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Datuk Sri Dr. Mahathir Mohamed said Malaysia should set up a body to monitor European countries' record on human rights abuses and corruption.

Saying Malaysians still have "colonial mentality," the Prime Minister said Malaysia should instead be telling these countries that their social records were worse.

"Why not set up a body like Europe Watch to monitor the Europeans' index on racial discrimination, immorality and corruption which are really high?

"But we feel like we are still colonialisised and are always being controlled and criticised by others.

"I can't understand this mentality. We have to tell them they are bad and not only them telling us we are bad. The worst record on human rights in a century is to be found in Europe today," he told reporters after launching the national level of the World Consumers Day.

He was commenting on a corruption index released by Transparency International (TI). The German-based watchdog group, in its 1996 corruption index, placed Malaysia at number 26 among 50 countries it surveyed last year.

Dr. Mahathir said Malaysia would decide how its people should live.

"We decide . . . this is our country. If we are to follow them, we are only fit to live in the rural areas and not become industrialists or millionaires.

"(They say) that's our way of life, we should not change, and they in the mean time, change all the time, become rich and dominate us," he added.

The Anti-Corruption Agency (ACA), in its response, said it would take stern action against foreign businessmen from multinational companies who attempted or offered bribes to government officers or politicians.

The agency's Policy Co-ordination and Planning Unit chief Abu Kassim Mohamed said in a statement yesterday that local and foreign businessmen should lodge reports with the agency if approached by anyone demanding money for favours.

"It is unfair especially for businessmen from the West, who had already raked in huge profits, to make a hue and cry about corruption in this country without even lodging a report with us," he said.

Abu Kassim said although Malaysia obtained more points in the index this year, it did not reflect the actual corruption situation in the country.

"The group's research was based on the perception of Western businessmen and it could be biased.

"Our agency has already drafted several measures to rectify the perception of Western businessmen," he said.

DAP [Democratic Action Party] secretary-general Lim Kit Siang said in a statement yesterday that the Cabinet should take a serious view of the index and all Malaysians must accept the fact that the ACA had not been effective in fighting graft in high places.

**Malaysia: Defence Minister Receives ROK Chief of Staff**

BK0406105596 Kuala Lumpur THE STAR in English  
4 Jun 96

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — South Korean troops will be the first foreign contingent to be trained at Malaysia's Peacekeepers Training Centre when it is opened to foreign nations, Defence Minister Datuk Syed Hamid Albar said yesterday.

He said South Korea had shown interest in sending its military personnel, including officers, to benefit from Malaysia's experience and to receive training at the centre in Port Dickson.

"South Korea is also keen on an exchange programme for military officers," he said after meeting South

Korean Chief of Staff General Yoon Yong Nam at the Defence Ministry here.

Syed Hamid said, at present, the centre was only training Malaysian troops for deployment to various UN peacekeeping operations.

During his meeting with Gen. Yoon, Syed Hamid said he had shown high regard for Malaysia's ability and experience.

The Malaysian Army has, to date, taken part in 17 peacekeeping missions involving 15,068 personnel of various ranks. The first was initiated with a force in Congo in 1960, followed by several others to Cambodia, Somalia, Liberia, and Bosnia-Herzegovina.

He said Malaysia's reputation and image in this undertaking became more evident at the recent Regional Security Conference in Bangkok which adopted a resolution for the centre to be turned into one for UN peacekeeping forces in the region.

#### **Malaysia: Pact on Forming Joint Commission With Laos Signed**

*BK0406124596 Kuala Lumpur Voice of Malaysia in English 0800 GMT 4 Jun 96*

[FBIS Transcribed Text] Malaysia and Laos have signed a memorandum of understanding to formally establish a joint commission to further enhance trade and economic relations. It was signed in Kuala Lumpur by Foreign Minister Datuk Abdullah Ahmad Badawi and his Laotian counterpart Somsavat Lengsavat, who led the respective delegations at the first ministerial meeting of the commission.

Senior officials of the two countries had met yesterday to prepare the ground work for the meeting.

Abdullah said contacts and exchanges of visits between leaders and government officials of both sides are on the increase.

Malaysia also welcomes Laos' economic reform and open door policy to transform the Laotian economy from a centrally planned to market oriented [one]. This has brought positive result and made Laos attractive for foreign investment.

Somsavat hopes the meeting will further enhance co-operation and assist Laos in its preparations to join ASEAN next year. He thanked Prime Minister Datuk Sri Dr. Mahathir Mohamed for his initiative on the Mekong Basin development which will benefit Laos.

#### **Malaysia: Laos Wants Asian Rail Link To Pass Through Vientiane**

*BK0506101496 Kuala Lumpur THE STAR in English 5 Jun 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Laos wants the proposed trans-Asian rail link from Singapore to Kunming in China to pass through Vientiane, its Foreign Minister Somsavat Lengsavat said.

He said the rail project should not bypass Laos and he would raise this at the Mekong Basin Development Co-operation ministerial meeting in Kuala Lumpur on June 15. "I will raise the issue of having the rail link pass through Laos. Laos is a landlocked country and the link will be very beneficial to us," he told a press conference after the first Malaysia-Laos joint commission meeting yesterday.

Foreign Minister Datuk Abdullah Ahmad Badawi, who was also present, said Malaysia would support the move. "It will provide tremendous opportunities for travel and the transportation of goods. It will open up the country for greater communications," he added.

The idea of the Singapore-China rail link was mooted by Prime Minister Datuk Sri Dr Mahathir Mohamed during the fifth ASEAN summit in Thailand in December.

It has been included as a main item on the agenda of the ASEAN-Mekong Development Co-operation programme which seeks to identify projects for joint implementation to expedite growth in Mekong Basin countries.

The Mekong Basin covers Thailand, Vietnam, Laos, Cambodia, Myanmar [Burma] and Yunnan province in China.

Last week Transport Minister Datuk Sri Dr. Ling Liong Sik announced that the proposed route for the link was from Singapore through Kuala Lumpur, Bangkok, Aranyaprathet, Poipet, Sisophon, Phnom Penh, Loc Ninh, Ho Chi Minh City and Hanoi to Kunming — without passing through the Laotian capital.

Abdullah said Malaysia would help Laos develop its tourism, civil aviation, agriculture and reforestation sectors.

He said that FELDA [Federal Land Development Authority] land schemes would be a model for Laos to develop its land, adding that Vientiane had also sought Malaysia's help in aquaculture and cultivation of oil palm and rubber.



Somsavai said Laos had vast tracts of land "but we do not have enough land survey and utilisation data," adding that about 300,000ha of land was cleared through shifting-cultivation annually.

Abdullah also said that Malaysia would help develop the broadcasting, telecommunications and hydro-power infrastructure in the Indo-Chinese state.

**Malaysia: Police Official Warns Against Revival of Banned Movement**

*BK0406124396 Kuala Lumpur UTUSAN MALAYSIA in Malay 4 Jun 96 pp 1, 2*

[Report by Meor Harman Shakri]

[FBIS Translated Text] Jempol, 3 Jun—The police have warned that they will take sterner action against former al-Arqam members, particularly against former al-Arqam leaders who try to revive the banned movement.

Inspector General of Police Tan Sri Abdul Rahim Noor said the action to be taken will include the arrest and detention of the banned movement's former members found to be involved in trying to revive it.

In this connection, he asked all the special relevant parties, particularly the Islamic Center and the state Islamic Religious Departments, to play a more effective role in trying to rehabilitate the former al-Arqam members.

With regard to the current development, he said the police will act against the former members involved in accordance with the prevailing situation, which includes arrest, detention, or even restriction to another state under the Internal Security Act (ISA).

He said: "I have said previously that other parties should be involved in the rehabilitation of the former members, because the police are not authorized to deal with certain issues and can only act in suppressing certain activities in accordance with certain existing laws." He was speaking to reporters after officiating the Royal Malaysian Police cadet camp here today. Some 1,050 police cadets from numerous schools, including those participants from Sabah and Sarawak, are attending the camps.

He reminded the former al-Arqam leaders, however, to abandon their objective of trying to revive the banned movement through numerous methods because such an objective is not in keeping with Islamic teachings.

He said: "It would be very unfortunate for them if they try to revive the movement because the police will not consider any reasons for their action."

He issued the remark as a follow up comment to the statement made yesterday by Deputy Home Minister Datuk Megat Junid confirming the secret meetings former al-Arqam leader Ashaari Muhamad conducted with his former colleagues.

Prime Minister Datuk Sri Dr. Mahathir Mohamed yesterday also expressed his disappointment with al-Arqam's former leader for breaking his promise by trying to revive the banned movement.

Rahim said that the government has been very lenient with the group all along, and the action taken against them was based on humanitarian grounds.

He added: "Personally, I do not understand the attitude of the former leaders and their followers because the government has only taken action against them all along based on the existing laws and has not imposed any restrictions in connection with their daily activities, particularly their business activities."

Meanwhile, responding to a question in connection with the recent enforcement of the Domestic Violence Act on 1 June, he said the police will act in accordance with the provisions of the act.

**Malaysia: Two Detained for Trying To Revive Al-Arqam Movement**

*BK0506092196 Kuala Lumpur THE STAR in English 5 Jun 96*

[Unattributed report] — received via Internet]

[FBIS Transcribed Excerpt] Kuala Lumpur — Khadijah Aam, the first wife of former al-Arqam leader Ashaari Muhamad, and Karya One Sdn Bhd [Private Limited] director Pahrol Mohd Goui were detained by police yesterday in connection with investigations into attempts to revive the movement banned two years ago.

Khadijah, 42, was arrested at the house she shares with Ashaari in Rawang by six Bukit Aman [Malaysian police headquarters] Special Branch officers at 12.30 am. Khadijah brought along her six-month-old daughter Fathahiyah.

Pahrol, 36, was picked up at the publishing company's head office in Taman Tun Dr. Ismail in Petaling Jaya at 2am.

Special Branch director Datuk Norian Mai, when contacted by BERNAMA last night, confirmed their detentions.

Police sources said Ashaari was sick and was in his house in Rawang.

The arrests of Khadijah and Pahrol bring to six the number of people rounded up in connection with the

investigations, including four being held under the Internal Security Act.

Another director of the company, Nasiruddin Mohamed Ali, 37, and its marketing manager Sabri Abdul Rani, 36, were arrested on May 7. [passage omitted]

#### **Malaysia: Magazines Stop Publication After Revival Charges**

*BK0506101096 Kuala Lumpur THE STAR in English 5 Jun 96*

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The publisher of four Islam-based magazines run by former al-Arqam followers announced yesterday the voluntary suspension of publication of all the magazines with effect from the next editions following allegations the movement is being revived.

The suspension of the publication of *Tatih*, *O.K!*, *Ayu*, and *Dunia Baru* would last indefinitely, *Karya One* Sdn Bhd chairman Tamrin Ghafar said.

In a statement, Tamrin, who had previously admitted being an al-Arqam follower, said *Karya One* — whose employees are mostly former al-Arqam followers — had followed all conditions in its printing permit and also provisions in the Printing Presses and Publication Act 1984 as stipulated by the Home Ministry.

Tamrin said each edition of the magazine was only published after ensuring it abided by the Act and stayed clear of *Aurad Muhammadi* teachings and elements of worshipping the former al-Arqam leader.

"Since the publication of these magazines, *Karya One* had never been criticised by the Home Ministry.

"We also send every issue to Pusat Islam [Islamic Center] although it is not a condition."

Tamrin said that on May 14, *Karya One* had asked the Home Ministry and the Islamic Religious Affairs Division of the Prime Minister's Department to send their officers over at least once a month to the company's office to guide, monitor the publication process and behaviour of employees and come up with rehabilitation programmes if necessary.

But the director-general of Pusat Islam said it was unable to do that, he added.

### **Singapore**

#### **Singapore: Government Spearheads Giant Multimedia Network**

*BK0406132096 Singapore BUSINESS TIMES in English 4 Jun 96*

[Report by Kenneth James — received via Internet]

[FBIS Transcribed Text] Singapore is a step closer to becoming an intelligent island. Communications Minister Mah Bow Tan yesterday announced a government-led initiative to develop the core infrastructure for a giant network linking all Singaporeans.

The minister urged industry players to take on an active role in the project, dubbed Singapore ONE, for One Network for Everyone.

Mr. Mah announced the initiative, a vital piece of Singapore's growth strategy for the 21st century, when he opened three major technology exhibitions — *CommunicAsia96*, *BroadcastAsia96*, and *NetworkAsia96* — at Suntec City yesterday evening.

He said the government had underlined its commitment with funding to the tune of \$82 million for the two phases of the project. The money will come from the Telecommunication Authority of Singapore (TAS), National Computer Board (NCB), and National Science & Technology Board (NSTB), the three agencies tasked with implementing the project.

About \$40 million, roughly half of the \$32 million allocated for Phase 1 and \$50 million for Phase 2, will be used to develop the physical infrastructure, senior officials familiar with the project said. The rest will be used mostly to develop applications.

The proposed network will be "broadband multimedia" in nature; that is, it will be a high-speed, high-capacity network delivering a rich mix of sound, pictures, video, and text quickly and easily. The core network will connect smaller networks in the government, private sectors, in effect creating a single mega-network.

"It is critical that the deployment of such a network is not delayed," the minister declared, saying that any delay would undermine the country's excellent telecommunications infrastructure and hurt its global competitiveness.

With the network in place, everyone in Singapore will be able to communicate with others and retrieve information easily and inexpensively. Singapore ONE will allow a wide range of commercial and government services direct to the office or home.

Mr. Mah welcomed the keen interest that some private sector players had already shown in the project. It was crucial that industry take on an active role, he said.

"Only then will Singapore ONE realize its full potential as a foundation for the industry and end-users to create applications which can improve business efficiency and enrich Singaporeans' quality of life."

Interested companies will be invited to join a consortium formed to encourage the development of applications like high-speed Internet, video-on-demand, cable television, and government online services, government officials said. They added that the first two members of the consortium are Singapore Telecom and Singapore CableVision.

NCB Chief Executive Stephen Yeo told BT [BUSINESS TIMES] that an important challenge facing the government agencies involved will be to develop appropriate "middleware." This is software that connects the various "local access" networks, on the one hand, and links these networks to a broad spectrum of service providers, on the other.

To do this would mean establishing common standards, a significant challenge in itself but one which, if successful, will be a significant boost for the Singapore model.

Noted Mr. Yeo: "The way to go is through standards rather than products."

#### **Singapore: Goh Requires Ministers To Clear Property Purchases**

BK0506035796 Singapore THE STRAITS TIMES  
in English 4 Jun 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Goh Chok Tong has written to ministers, ministers-of-state and parliamentary secretaries requiring them to clear with him their property purchases, and to declare to him purchases of properties by their spouses and dependent children.

The letter which was dated last Saturday [2 June], was released by his office yesterday.

In it, he said that while he had taken upon himself to clear the property purchases of office-holders, "you have the duty to ensure that properties purchased not only by you but your spouse and dependent children are at arm's length and on terms which can stand up to public scrutiny".

He added: "You are not required to clear with me the purchases of properties by your spouse and dependent

children. However, you are required to declare to me their purchases and provide the information as required of the office-holders."

Mr. Goh had announced new property rules for office-holders on 24 May, at the end of a three-day parliamentary debate on the sale of property to Senior Minister Lee Kuan Yew and Deputy Prime Minister Lee Hsien Loong by Hotel Properties Limited last year. Both had received unsolicited discounts for their purchases.

Mr. Goh had said that the new rules were to safeguard further the integrity of the Government and protect its "enviable record of incorruptibility".

Reiterating the rules in his two-page letter, he said that ministers, ministers-of-state and parliamentary secretaries were governed by a set of rules of prudence stated in the Code of Conduct for Ministers.

The new rules would come into effect immediately and would govern the purchase of private, non-HDB [Housing and Development Board] properties.

Office-holders would have to clear all private property purchases with him, and state whether they were buying to live in, or for investment.

They would have to state the circumstances of purchase, such as how they came to know of the property.

They must also state whether they had, to their best knowledge, been given any concessionary terms of treatment.

This included buying the property at a soft launch or as a related party special pricing package or discounts, or priority in any other way.

They must reveal whether they had known the developer or seller in their official capacity, and whether they, their ministry or departments under their ministry had any official dealings with them.

They must also state the net purchase price. For purchases from developers, they must reveal the date of offer, and the list price and discount if these were known.



### Cambodia

#### Cambodia: Sihanouk Hopes To Return Home 'in Mid-June'

*BK0506054596 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 5 Jun 96*

[Message to the nation from Cambodia's King Norodom Sihanouk from Beijing; dated 5 June — read by announcer]

[FBIS Translated Text] Greetings to the revered two supreme patriarchs and all levels of the clergy and to the most profoundly loved compatriots:

I have the honor to provide the following information:

After receiving treatment for hardened arteries at the Beijing hospital for 11 days, today—5 June 1996—I have received permission to leave the hospital and rest at home from the professors and doctors of the PRC who, with friendship, have made great efforts to treat me.

Cancer specialists are meticulously examining and analyzing my bone marrow in order to determine whether or not my cancer is reoccurring. The Chinese doctors hope that this cancer will not return. The results of this scientific examination and analysis will be clearly revealed within the next four or five days.

I hope to return to the beloved and revered Cambodian motherland in mid-June to serve you all forever.

Please accept my most sincere greetings and loyalty. May you enjoy the five Buddhist blessings: longevity, social prestige, happiness, strength, and enlightenment.

[Dated] Beijing, 5 June 1996

[Signed] Norodom Sihanouk

#### Cambodia: Sihanouk Predicts 1998 Election 'Will Not Be' Democratic

*BK0506064696 Hong Kong AFP in English 0616 GMT 5 Jun 96*

[FBIS Transcribed Text] PHNOM PENH, June 5 (AFP) — King Norodom Sihanouk has the national election due in 1998 will not be held under "sufficiently democratic conditions," press reports said Wednesday.

The king's monthly statement said conditions in the country prohibited the development of a viable opposition.

"The few survivors who succeed in getting elected ... would end up getting expelled from the national assembly in one way or another," the Cambodia Daily quoted the King as saying.

He suggested that the four current political parties, three of which form the coalition government, were colluding to prevent opposition groups from emerging.

"The deputies of Funcinpec, CPP (the Cambodian People's Party), Buddhist Liberal Democratic Party, and Molinaka prefer to unite to share power, money and other advantages," the King said.

The king also lamented the large gap between rich and poor in his country but said Cambodia's poor were unlikely to complain because they are Buddhists.

The king also suggested Cambodia's entry in the Association of Southeast Asian Nations (ASEAN) might compromise its neutrality in violation of the 1991 Paris Peace Accords.

On Wednesday the King said his Chinese doctors are permitting him to leave the Beijing hospital where he has been for 11 days, being treated for arteriosclerosis. He plans to return to Cambodia in mid-June.

#### Cambodia: Ranariddh Discusses Importance of Unity, King's Health

*BK0406131996 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 4 Jun 96*

[FBIS Summary] Today the radio carries a 45-minute recorded speech that First Prime Minister Norodom Ranariddh made this morning at the opening and closing of administrative training courses, organized by the Cambodian Association for Democracy for 110 students in Phnom Penh.

In his address Ranariddh calls for people to help themselves, and not to rely on foreign assistance. He also discusses his efforts to attract foreign investment, and urges students to learn and become fluent in English, as Cambodia prepares itself to "become a member of ASEAN in 1997." Ranariddh talks about the importance of knowing the English-language saying that "I am more fluent in French than in English. Suppose you know French and are traveling by plane outside Cambodia. If the aircraft faces mechanical problems in a country outside of Cambodia you will starve, because the people will only speak English [applause]. I am sorry to have to say this; France is probably not very happy on hearing this [laughter]; however, I have been accused of having two nationalities, Cambodian and French. I have never taken side with France; I have been working hard only for Cambodia."

Ranariddh calls on students "to avoid being used as a political tool by any party or individual." He adds that "we should avoid being split again" and, "most importantly,

avoid affecting the independence, sovereignty, and territorial integrity of our Cambodia, which is a victim of aggression from neighboring countries of which we have not yet been able to resolve the problem." Ranariddh affirms that "as a Cambodian and a leader, whenever there is aggression by neighboring countries, I have to inform the nation of the issue and continue to resolve the problem most resolutely and determinedly to defend the independence and territorial integrity of our Cambodia." [applause]

Ranariddh then talks about the importance of unity and advises the students to study hard and have basic knowledge of trade and economy; "have self-confidence," "have a positive attitude and be open-minded," and "have initiative and creativity." He also calls on them "to protect and safeguard national culture and traditions." He calls on students to "be resolute in defending and promoting rights and freedom, liberal democracy, and respect for human rights at present and in the future." He adds that "in 1993 our people voted to change the political regime. Our people voted to transform Cambodia into a genuinely liberal and democratic country; we did not vote in 1993 to return to a dictatorial regime. This was the will expressed by our people in the 1993 election; therefore, you should protect absolutely what our people and citizens expressed in the 1993 election." [applause]

Ranariddh also says that he has "always insistently appealed to people from all walks of life, the armed forces, and particularly politicians and political parties, to adhere to a patriotic attitude as members of the same Cambodian family, to unite and defend only Cambodia's supreme interest and territorial integrity."

Ranariddh ends his speech by informing the audience that yesterday His Majesty the King asked the Queen to telephone him from Beijing to convey the king's sentiments to his children and the clergy. Ranariddh adds that "doctors are presently reexamining the king's blood; today a bone marrow sample will be taken. We have to wait another five or six days before getting the results."

#### **Cambodia: Commentary Views Two Heads' Corruption, Drug Trafficking**

BK0506025496 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 4 Jun 96

[Unattributed commentary]

[FBIS Translated Text] National and international public opinion has continually said that Ranariddh is corrupt. During the past three years in power, he has received over \$10 million through corruption. This does

not include the property, the plane given to him by the Thai Boon Rung Company, and the gold, jewels, and other treasures given to his wife by the unscrupulous traders both inside and outside the country.

The masses said: Ranariddh has used this over \$10 million to provide a good life for his children in France. They stay in their own house and go to school in personal cars with personal drivers. His children who are studying in France spend from \$50,000 to \$100,000 a month. This expense includes the salaries for their attendants and bodyguards. Ranariddh also used this money — over 20 million francs — to buy a large house in a tourist area in the southern part of France.

National and international public opinion has said that this money has come from his three years of corruption. They stressed, however, that Ranariddh is not as corrupt as Hun Sen, Chea Sim, Sar Kheng, Tie Banh, Pol Saroeun, Ke Kimyan, Hok Lundi, and the other communist Vietnamese puppets. On the one hand, these communist Vietnamese puppets take bribes—hundreds of thousands of dollars each year—from those traders who are afraid of them. Moreover, they demand local and foreign traders to pay them hundreds of thousands of dollars or several million dollars per each business transaction.

Most importantly, they smuggle opium and other drugs from Laos to Kaoh Kong through the communist Vietnamese network with the arrangement of the communist Vietnamese puppets' civil administrators and the provincial army and police and through Hun Sen, Chea Sim, Sar Kheng, Tie Banh, and their colleagues.

They think that these elements receive between 20 to 30 million dollars each month from drug trafficking. The communist Vietnamese take half of this 20 to 30 million dollars. The remaining half is divided among the Vietnamese puppets according to their rank. Ten percent of this amount is given to Theng Bunma because he is the one who finds the markets for exporting opium and narcotics from Cambodia.

Therefore, the corrupt ringleaders who plunder the Cambodian nation and people are the communist Vietnamese and their out-and-out puppets, with Hun Sen as the chieftain. These elements have millions of dollars in foreign banks so that when they are defeated, they can flee to the countries where they have deposited their money in the banks.

The masses have said that these elements are the ones who have cut the people's throats. On the one hand, they continue the Vietnamese war of aggression. On the other hand, they plunder the country and people, deal in drug trafficking, and issue Cambodian nationality

cards—which cost \$1,000 to \$2,000 per card—for the Vietnamese. This is why there are over 2 million Vietnamese holding Cambodian nationality.

This is the inverse democracy, human rights, and justice of the communist Vietnamese and the alliance that has brought forth the two heads to kill the Cambodian nation and people.

The masses everywhere have heard and known about this, and they have struggled and are continuing to struggle against them. The communist Vietnamese and their puppets are on the list that the Cambodian people must smash for being traitors and for selling out and killing the Cambodian nation and people.

The masses have also pointed out that they have already pocketed 30 percent of the foreign financial aid—humanitarian aid and national development aid—which they have used in continuing the war to kill the Cambodian nation and people. The higher-level, two-headed chiefs took 20 percent. The army and police leaders launching operations in the region also plundered the aid in the form of ammunition, arms, trucks, apparatus, rice, medicine, and other materials. Before launching any operation or distributing materials to their troops in the region, these leaders plundered and sold most of the materials and equipment to foreign traders, leaving only about 10 to 20 percent for distribution to the troops. They either sold the loot to the dishonest traders or let their wives sell it at a high price in the market.

This is a diabolic regime that is awaiting due punishment by the God of Hell.

### Indonesia

#### Indonesia: Alatas Noted Manila-MNLF Differences Over Autonomy

*BK0506102796 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 5 Jun 96*

[FBIS Translated Text] Foreign Minister Ali Alatas says a six-member Organization of the Islamic Conference meeting on the implementation of autonomy for the Moros in southern Philippines, particularly the way it should be granted, did not proceed smoothly. The meeting, which took place in Jakarta on 3 and 4 June, was also attended by representatives of the Philippine Government and the Moro people. Manila has proposed the setting up of an authority covering 13 provinces and 9 cities.

The Philippine Government and the Moro National Liberation Front (MNLF) have interpreted the Tripoli agreement on the settlement of the Moro issue differ-

ently. While the MNLF sees no need for a plebiscite in the 13 provinces and 9 cities, the Philippine Government thinks otherwise.

#### Indonesia: Roving Envoy Calls On Portugal To Assist East Timor

*BK0406105396 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 4 Jun 96*

[FBIS Translated Text] The Portuguese Government should not find fault with East Timor's integration into Indonesia, but should instead provide concrete assistance for the development of Indonesia's youngest province, which was Portugal's colony for 470 years. In recent meetings held in Austria, the Indonesian Government also called on Portugal to extend its assistance to East Timor.

Indonesia's Special Roving Ambassador Lopez da Cruz said this to reporters after he met with Maluku Deputy Governor R.S. Suranto in Ambon last weekend. Lopez da Cruz said that as far as Indonesia is concerned, the East Timor issue is closed. The nature of the talks on East Timor has shifted from a multilateral to a bilateral level between Indonesia and Portugal. He noted that Portugal should assist a local university as well as build a cultural center.

#### Indonesia: Deregulation Package Issued To Enhance Competitiveness

*BK0506102396 Jakarta MEDIA INDONESIA in Indonesian 5 Jun 96*

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta (MEDIA) — The government has issued a deregulation package. The deregulation package covers three main sectors — imports, exports, and the business climate — and is designed to enhance the competitiveness of the national economy in the face of globalization.

Saleh Afiff, coordinating minister for economics, finance, and development supervision, said in Jakarta yesterday that the latest deregulation package includes the further reduction of import tariffs on capital goods, the abolition of additional import duties, the simplification of import procedures, antidumping measures, and the facilitation of exports.

"Other measures include privileges for exporters of certain products, the simplification of licenses in industrial zones, the operation of bonded warehouses, easier export and import procedures for foreign investors in the manufacturing sector, and the simplification of procedures to import waste for use as raw material for industries," Afiff said. He was accompanied by Finance



Minister Mar'ie Muhammad; Industry and Trade Minister Tunky Ariwibowo; Hartarto, coordinating minister for production and distribution; and Bank of Indonesia Governor Sudrajad Jiwandono.

The deregulation package sets in motion the reduction of import tariffs as stipulated in the May 1995 package. The further reduction of import tariffs by 2003 is designed to guarantee investment and production plans. "As many as 1,497 of the 7,288 tariff posts will thus be reduced," Mar'ie said.

A government decree on antidumping import duties and import duties on subsidized products will be issued to counter dumping and protect domestic industries. The Indonesian Antidumping Committee will be set up with the industry and trade minister as chairman and the finance minister as deputy chairman.

"Antidumping import duties will be imposed on imported products if their prices in Indonesia are lower than in the countries of origin, and will thus harm similar domestic industries. There will be import duties on products subsidized in the countries of origin. The industry and trade minister will issue a decree on the membership of the Indonesian Antidumping Committee and the technical procedures of the committee," Tunky said.

Export goods valued up to 100 million rupiah will be exempted from special export clearance documents. Currently, the exemption applies to goods valued up to 10 million. The privileges are expected to increase nonoil and nongas exports by cooperatives as well as small and medium businessmen.

Under the deregulation package, surveyors will no longer be required to inspect exported goods before they are shipped. In addition, procedures for obtaining export documents will be simplified. The number of types of export documents will be reduced from 31 to four and types of supporting documents will be slashed from four to two.

#### **Indonesia: Bimantara Group Determined To Get National Car Status**

BK0406161096 Jakarta KOMPAS in English  
4 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, Kompas Online — Owners of PT [limited company] Bimantara Citra will continue to seek pioneer status for the Bimantara Cakra and Bimantara Nenggala car models.

"Basically we will not cease suggesting to the government that we become the national automobile industry. Among other considerations, we would support the pres-

ence of the Timor car by strengthening the market and competition within the automobile industry. Based on our data, four national automobile companies can exist for optimal growth to be reached in 2003," said the director of Bimantara Cakra Nusa Pung W. Lubis on Monday (3 June) in Jakarta.

Bimantara management maintains conditions for the national car can already be fulfilled. PT Citramobil Nasional — with 50 percent of the shares owned by [President Suharto's second son] Bambang Trihatmodjo and 50 percent owned by Bimantara Cakra Nusa — can meet the 100 percent of national share holdings. The actual breakdown share holdings will be decided in upcoming meetings, said Pung.

The Bimantara Nenggala class 1,600 cc and the Bimantara Cakra class 1,500 cc have obtained permits from the Minister of Industry and Trade and will actively partake in the localization as determined under the Deregulation Package in 1993. "But with or without agreement, we will continue to make the national car," he said.

Pung explained the national Bimantara car will be launched on July 23. The plans for such a car have been in the pipeline since December 1995 when Bambang Trihatmodjo and Chairman of Hyundai Motor Company in Korea, Chung Se Yung, signed a Memorandum of Understanding.

"So who says that Bimantara is only following the Timor car. We have been ready since 1995," Pung claimed. He added that agents for Japanese cars have appealed to the government not to give the import license of completed [South Korea car company] Kia sedans to PT Timor Putra Nasional because it could ruin the image of the nation.

"In the 1996 Presidential Instruction and the 1996 Ministry of Trade and Industry decree, it has been made clear that the national car must be locally made. If Timor imports the CBU (completed car) this could influence Indonesia's image. Additionally, if the government issues a CBU permit, not only Bimantara will be skeptical but also other sole agents," he maintained.

Pung stressed that all parties should avoid disturbing the synergy of the automobile industry. Car production should not be used as an instrument of diplomacy by Japan, America or Europe if it is known that Indonesia is importing CBU, he asserted.

**Indonesia: Another of Suharto's Sons Seeks National Car Privileges**

*BK0506103296 Jakarta KOMPAS in English  
5 Jun 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, KOMPAS Online — The national car can be made overseas as long as Indonesian manpower is employed and local stipulations, determined by the Minister of Trade and Industry, are fulfilled.

This information was unveiled in a presidential decree, dated June 4 1996, which appeared alongside Indonesia's new deregulation package which was also issued on Tuesday (4 June).

State Minister of Economy, Finance and Development Supervision Saleh Affif and Minister of Trade and Industry Tunky Ariwibowo, however, seemed confused when the press asked about the relation between the deregulation package and the new car regulations. Neither Minister was prepared to provide an in-depth comment about the new car regulation.

Meanwhile, Bimantara boss Bambang Trihatmojo [Suharto's second son] and his group have been persistent in their efforts to pressure the government into revising the February 1996 presidential decree which only grants tax free privileges to PT Timor Putra Nasional owned by Hutomo Mandala Putra [Suharto's third son].

In the latest presidential decree emphasis was made on the importance of the national car. High costs would however be incurred if the car was assembled domestically. Therefore, the decree stated, the car could be assembled overseas if Indonesian manpower was employed and certain criteria were met.

Speaking to the press, Bambang Trihatmojo was resolute that national car privileges should be granted to more than one company. The planned Citramobil Nasional, he said, meets all the national car requirements. An agreement has also been signed between Bambang and the chairman of the Hyundai Motor Company Chong Si-yong. We are ready to make a national car. We hope the government will give us the same facilities as Timor, Bambang said.

Tunky Ariwibowo, however, continued to stress that the government will not revise the presidential decree and national car privileges will only be granted to one company.

Pak [Mr.] Bambang has spoken to me about being included in the national car program. I told him to continue with his preparations. But there is a policy

which is in place and that is the June 1993 packet. If local components increase then import charges will decrease. So just follow the system, stressed Tunky.

**Indonesia: Speaker Warns Against 'Excessive Fear' of Openness**

*BK0506081696 Jakarta THE JAKARTA POST  
in English 5 Jun 96 p 1*

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP): Speaker of the House of Representatives Wahono warned yesterday that the government's excessive fear of increasing political openness might heighten tension among authorities in the field which, in turn, could trigger unjustified violence.

Repressive judicial action, appeals and condemnations would not resolve the mounting social unrest, he said after swearing in 10 new members of the House and the People's Consultative Assembly.

"There should be open forums and dialogues where people can release their frustration in an orderly and civilized manner," Wahono said.

Wahono, a former army lieutenant general and a one-time chief of the ruling Golkar [Functional Group] party, pointed out that the heightening social unrest has been fueled by the absence of such forums.

He admitted that the House is unable to channel the public's desires satisfactorily at a time when many people's political awareness is improving thanks to the rapid development that Indonesia has achieved.

If the House at the national level and the legislative councils in the regencies and provinces fail to improve their function, social disturbances would escalate, he warned.

"Social upheaval will set the clock backward. The ideal for democracy will never become reality because the security approach will prevail again," he said.

Wahono did not give concrete cases to illustrate his ideas.

Over the past month, Indonesia has seen a number of major outbursts that observers attribute to the lack of democracy and the government's insistence on suppressing political dissidents.

Last week, staunch government critic and democracy campaigner Sri Bintang Pamungkas launched a new party — a move that sparked wrath from both the government and military officials.

Last month, the military in Ujungpandang, South Sulawesi, came under attack after its forcible dispersal of massive student demonstrations led to the deaths of three protesters.

Indonesia is also facing increasing numbers of land and labor dispute cases at a time when the government is a constant target of human rights abuse allegations.

Wahono criticized the government for holding back information on state officials that the public know have a "low integrity."

"It's useless to suppress people's political wishes by feeding them with false information," he said.

The House speaker suggested that the government heed the people's wishes because the public's demands for democracy are increasing in line with Indonesia's economic development success.

He said he believes the spirit of democracy will be able to crush the spirits of sectarianism and feudalism that some groups are trying to promote.

Wahono said that no one should interpret the 1945 Constitution rigidly simply to justify their political maneuvers.

"We all know that our constitution is dynamic and wide open to accommodate contemporary demands," he noted.

The five House members that Wahono installed were Bakir Ali, Siti Aisnami Rudy Lengkong, Fakhruddin Razi, Aisyah Rajeng Pananrang (all from the Golkar faction) and Albertus Pranowo (a member of the Armed Forces faction).

The five People's Consultative Assembly members are Col. Mukhdi Purwo Prayono, Col. Nyoman Suwisma, Maj. Gen. E.E. Mangindaan, Darwis Rida Zainuddin, and Lt. Gen. F.X. Sujasmin.

The new legislators replaced either those who have died or been transferred to other posts by their respective organizations.

### Philippines

#### Philippines: Framework on APEC Customs Procedures Drawn Up

BK0406160896 Manila MANILA BULLETIN in English 4 Jun 96

[Report by Raul V. Gonzales — received via Internet]

[FBIS Transcribed Text] The Bureau of Customs, host of the three-day second session of the Asia-Pacific Economic Cooperation Subcommittee on Customs Pro-

cedures (APEC-SCCP) in Lapu-lapu, Cebu City, has drawn up a comprehensive framework for technical assistance and human resource development.

Deputy Customs Commissioner Titus B. Villanueva, chairman of the APEC-SCCP, said that the framework will boost the implementation of a nine-point Common Action Plan forged in Sapporo, Japan, where APEC met last year.

Villanueva said that the framework was prepared initially by Japan and Canada which gave emphasis on the training needs of the economies and identifying priorities for technical assistance.

"With this framework, the SCCP is now ready to implement its nine-point Common Action Plan which aimed at the simplification and harmonization of customs procedures in the Asia-Pacific region. The simplification and harmonization of custom procedures in the APEC region can significantly reduce transaction costs for exporters and importers, thereby hastening the flow of trade in the region," Villanueva said.

He said that the Philippines would enhance and improve customs operations as well as the expertise and capability of its customs personnel.

"This would eventually result in the expansion of our trade transactions with other member economies of foreign markets for Philippine exports. In turn, these would translate into more jobs, better income and higher standards of living for the Filipinos," Villanueva said.

#### Philippines: Ramos Approves Oil-for-Food Countertrade With Iraq

BK0506085396 Manila PNA in English 0611 GMT 4 Jun 96

[Received via Internet]

[FBIS Transcribed Text] Manila, June 2 (PNA) — President Ramos today approved the proposed counter trade of Philippine food and medical supplies for Iraqi oil.

The counter trade arrangement is consistent with the terms of the recently-approved Iraq-United Nations oil-for-food agreement allowing Iraq to export \$1 billion worth of oil each quarter to raise money strictly for humanitarian supplies.

The counter trade, which was prepared by the Department of Foreign Affairs, was also endorsed by the Department of Trade and Industry and the Department of Energy.



The delivery of foods and medical supplies will be undertaken by the Philippine International Trading Corporation (PITC).

In a letter to Iraqi President Saddam Husayn, President Ramos said: "I wish to inform Your Excellency that the Philippine International Trading Corporation welcomes the opportunity to again participate in supplying food and medicines to Iraq under a no-dollar, counter trade arrangement."

The president said PITC was the official supplier of sugar, coconut oil, and medicines to Iraq in fulfillment of the Philippine-Iraq \$20-million goods-for-debt settlement agreement in 1995.

The chief executive assured President Saddam Husayn that the Philippine Government will assist in the necessary representations with the United Nations on the required authorization for the counter trade arrangement.

He congratulated the Iraqi leader for the oil-for-food agreement which, he said, demonstrates Saddam's deep concern for the well-being of the people of Iraq.

Foreign Affairs Secretary Domingo Siazon said the PITC is targeting 20 to 30 percent of the \$1 billion worth of oil for every quarter.

Aside from helping Iraq in uplifting the condition of its people, Secretary Siazon said the counter trade agreement would be a good promotion for Philippine products "with the view towards active trade with Iraq after the (United Nations) sanctions are lifted."

#### **Philippines: TV Reports Capture of Three Communist Leaders**

*BK0506114096 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 5 Jun 96*

[FBIS Translated Text] A high-ranking official of the communist rebellion in Bicol has surrendered to Army Chief Major General Clemente Mariano. Both Domingo Mulico and his wife, Adelina Pabala, who is the finance and logistics officer of the New People's Army in Masbate, have surrendered.

Meanwhile, Philippine Air Force agents arrested an official of the Alex Boncayao Brigade (ABB), Dario Cana, alias Bong. Cana is allegedly behind the bombings in Metro Manila and the slaying of Major Timoteo Zarcal. Our correspondent Maki Pulido has the details. Maki, come in:

[Begin recording] [Pulido] Philippine Air Force agents have captured one of the suspected leaders of the Alex Boncayao Brigade. He is identified as Dario Cana, alias Bong, the suspected commander of the Alex Boncayao Brigade's platoon 2.

According to General Arnulfo Acedera, Cana is involved in the explosion at Shoemart in Cubao in 1984, and the office of Shell Philippines in Makati, in a protest against the hike in oil prices last year. Cana has denied the accusations. [Cana] No.

[Pulido] But, you are an ABB member?

[Cana] No.

[Pulido] What is your job?

[Cana] I am a welder.

[Pulido] Where?

[Cana] At MR Fabrications in Sumulong in Antipolo, Rizal.

[Pulido] How come guns were seized there?

[Cana] That I do not know. It looks like a frame up.

[Pulido] Are you saying that the guns were planted?

[Cana] Those guns are not really mine.

[Pulido] Different kinds of high-caliber firearms and dynamite were seized from Cana when his house in a village in Mayamon-Masinag, Antipolo, Rizal was raided.

Based on an intelligence report, Cana began as an organizer of the Nationalist Youth in 1980 before joining the ABB as a combat intelligence operative in Manila.

The raid on Cana's house in Antipolo was done after a search warrant was issued by the Quezon City Regional Trial Court.

Cana is now undergoing intensive interrogation in the office of the Intelligence Service Armed Forces in Camp Aguinaldo. [end recording]

#### **Philippines: Authorities Destroy Muslim Rebels' Marijuana Plantation**

*BK0306081196 Manila PNA in English 1408 GMT 1 Jun 96*

[Received via Internet]

[FBIS Transcribed Text] Cotabato City, June 1 (PNA) — Authorities on Friday destroyed a seven-hectare marijuana plantation amid a slight resistance from Moro rebels securing it.

Elements of the Army's 64th Infantry Battalion uprooted and destroyed the prohibited plants said to value some P [pesos] 50 million.

Army sources said the plantation located in the remote village of Tunganon in Carmen, Cotabato, was maintained by Moro Islamic Liberation Front (MILF) guerrillas led by a Kumander Tarzan.

Army 6th Infantry Division chief Brig. Gen. Raul Urgello described the plantation as heavily guarded by

a battalion-size MILF group who gave resistance as government troops entered the area.

"Pinaputukan nila kami nung una kaming nagtangkang pumasok (They fired at us when we attempted to enter the area)," Urgello said.

Meanwhile, police elements in Mlang Town, Cotabato, arrested three persons including a relative of a South Cotabato town mayor who used a government vehicle in transporting dried marijuana leaves.

Jaime Sison, a kin of Surallah Town Mayor Jose Sison, along with his friends Leonardo Samson and Rosalie Bautista, were apprehended while on their way from Pikit Town, Cotabato to Surallah.

The trio were on board a vehicle with the markings of the Surallah municipality which yielded six kilograms of neatly packed dried marijuana leaves concealed in the vehicle's hood.

Mlang Mayor Manny Pinol said Sison admitted having bought the illegal cargo from a dealer in Dungguan, Pikit.

Appropriate criminal charges have been filed against the three.

**Philippines: Ramos Allies in Congress Push for Term Extension to 2000**

*BK0406042796 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 3 Jun 96*

[FBIS Translated Text] President Ramos's allies in Congress continue to push for the extension of his term as president. These congressmen wish to add two more years to President Ramos's term. On the other hand, Speaker Jose De Venecia has said that he would rather detach himself from the issue. Tina Panganiban has the details:

[Begin recording] [Panganiban] An increasing number of congressmen are expressing support for the resolution to add two more years to President Fidel Ramos's term. According to Iloilo City Congressman Raul Gonzales, author of the resolution, 81 congressmen have already formally signed to support the resolution, while 25 others gave their verbal support.

[Gonzales, in English] It is moving. Definitely it is moving, and ask ... [pauses] even [House minority leader] Ronnie Zamora, who said that the resolution is very, very popular.

[Panganiban] Gonzales added that the number of signatures he gathered does not really matter because the resolution may not even have to go through Congress.

[Gonzales, in English] The ... [pauses] reports it out to the plenary when that will be debated here. But we can even omit that if we want, because we do not have to have a resolution here in order to let the people's initiatives move.

[Panganiban] House Speaker Jose De Venecia refused to get involved in the issue. According to him, he and President Ramos want to dissociate themselves from this issue because there is a possibility the issue will have a negative impact on the people.

[De Venecia, in English] My personal position is to be remained detached from these initiatives to amend the Constitution, because you know it could divide the nation.

[Panganiban] Aside from this issue, there are 15 other proposed bills and resolutions in Congress that aim to amend the Constitution, one of which is to regionalize Senate election.

Tina Panganiban, GMA Balita [News]. [end recording]

**Philippines: Ramos Rules Out Term Extension Beyond 1998**

*BK0506023996 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 4 Jun 96*

[FBIS Translated Text] President Ramos has announced at a news conference in Apayao Province that no one can convince him to extend his term as president, not even the poor and lowly citizens. According to the president, he has already decided to leave his post in 1998, adding that the remaining two years of his presidency are sufficient to push for changes in the country.

**Philippines: Speaker Says Ramos To Stop Plans To Amend Constitution**

*BK0506105496 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 5 Jun 96*

[FBIS Translated Text] House Speaker Jose de Venecia has confirmed that President Ramos will put a stop to plans to amend the Constitution. De Venecia said the president will convene a meeting of officials of the Power of the Nation-National Union of Christian Democrats party on Friday to give his order against amending the Constitution. He said the president wants to show that he is not interested in power after 1998.

However, Senate minority leader Edgardo Angara questioned the president's sincerity in this regard.

**Thailand****Bangkok Agrees to Direct Contact With APEC  
Leader at Summit***BK0306081796 Bangkok BANGKOK POST  
in English 5 Jun 96 p 16***[Report by Nutsara Sawatsawang]**

[FBIS Transcribed Text] Thailand has agreed to a Philippine proposal that would allow businessmen to meet leaders at the Asia-Pacific Economic Cooperation meeting later this year, a Foreign Ministry official said.

However, Kopsak Chutikun, director-general of the Economic Affairs Department, said Thailand believed the meeting should be held under the framework of the existing APEC Business Advisory Council.

"Thailand thinks that any opinion made by businessmen which is diversified and based on differences of interest has to be conveyed through the APEC Business Advisory Council which is the highest body of the private sector in APEC," he said.

Than APEC Business Advisory Council was set up by APEC ministers at last year's summit in Osaka to hear recommendations on APEC's future from business leaders in a one-hour "structured dialogue".

The Philippines has proposed the APEC Business Forum, a separate body due to meet during the summit at Subic Bay in November.

The forum, made up of 25 chief executive officers from leading companies in each of APEC's member states, would provide a chance for direct meetings between businessmen and government leaders.

Mr Kopsak said Thailand agreed to the proposal partly because a Thai company, the M Group, won the bid to organise the forum.

However, he noted that the idea had drawn a lot of debate, with the United States and Japan expressing concern over protocol and the formality of the meeting.

"The host country has the full right to organise any meeting, but it is a matter of how we can force leaders to attend," Mr Kopsak explained.

Some APEC members are worried that the forum would simply duplicate the work of the APEC Business Advisory Council.

As well, some have argued that the level and quality of participation in the forum would be lower, with company chief executive officers sending delegates instead of participating in person.

The Philippines will revise its proposal before the next senior official meeting in mid-August and will

seek recommendations at the APEC Business Advisory Council meeting this month.

**Thailand: Chinese Daily Comments on  
Government's Stability***BK0406124696*

[FBIS Report] Bangkok XING XIAN RIBAO in Chinese on 31 May and 3 June carries an article and an editorial, respectively, on the problems facing the Banhan Sinlapa-acha government after the recent cabinet reshuffle.

The 31 May article by Liu Yintong on page 12 entitled "Samak's Response Following the Cabinet Reshuffle" reports that Newin Chitchoop and Suchat Tancharoen were dropped from the new cabinet lineup, and the new ministers are Finance Minister Bodi Chunnanon, Deputy Commerce Minister Amnuai Yotsuk, and Deputy Finance Minister Soemsaak Karun. The article says: "There is not much change in the cabinet. The cabinet still consists of seven parties." It adds that the reshuffle has improved the government's image a little bit, as the hated ministers of the Thoet Thai group were not reappointed; however, the public is waiting to see the government's performance and efficiency.

Liu Yintong writes that Prachakon Thai Party leader Samak Sunthorawat is not satisfied with the cabinet reshuffle and has announced a decision to withdraw from the coalition government. As a result, the article says, the people are concerned about the political situation. He adds that in addition to the worry over Samak's party, there is also concern over the seven-party coalition — conflicts within coalition parties and conflicts within parties. He says that these have become a time bomb in the Banhan government since he assumed office.

The article cites the conflict between the Phalang Tham Party and Samak's Prachakon Thai Party. After the recent no confidence debate, Samak was not happy with the Phalang Tham Party, as the party did not vote for Suchat Tancharoen. The article says that Samak has questioned why the Chinnawat Group does not reduce its fees for the mobile phones as the people have demanded. The paper adds that, in addition to the Prachakon Thai Party, other parties— such as the Social Action Party and the Muanchon Party—are also trying to isolating the Phalang Tham Party. Moreover, the ministers of the Thoet Thai group will seek revenge against the Phalang Tham Party when the opportunity arises.

The article says that there are various factions within the Chat Thai Party that have been vying for the interior



minister portfolio. It adds that Banhan has no other choice but to concurrently hold the post himself in order to resolve the power struggle.

In conclusion, the article says: "If Prime Minister Banhan Sinalapa-acha does not resolve the conflicts among the coalition partners and within the parties, there will be threats to the life of his government. The cabinet reshuffle is just a transitional method. Another big reshuffle to remove those conflicts is unavoidable."

The 3 June editorial published on page 2 entitled "Can the Banhan Government Handle the Political Situation and Linger in a Steadily Worsening Condition" says that the political situation has become complicated and confusing following the opposition's no confidence debate. The editorial then cites the opposition's attacks against the inefficiency of some ministers and frauds. It says that although the targeted ministers survived the no confidence vote, the Phalang Tham Party's stand with other coalition parties triggered a cabinet reshuffle.

According to the editorial, the Phalang Tham Party had its own reasons for not voting for former Interior Minister Suchat Tancharoen because Suchat had failed to clear up the opposition's accusations, and it had to protect the party's image ahead of the Bangkok gubernatorial election.

The editorial says: "Banhan knows that the Phalang Tham Party is a thorn to other coalition parties. If he removes the Phalang Tham Party, it can set the others' minds at rest. By doing so, however, the government's image will be seriously damaged. So one can see that Banhan's decision to keep the Phalang Tham Party within his cabinet is aimed at trying to retain the only just image of the government. As Banhan planned carefully for his cabinet reshuffle, he left the Prachakon Thai Party out in the cold. The party considered this a galling shame and humiliation. So, it announced its decision to withdraw from the government, triggering another political crisis."

In conclusion, the editorial says that the people are shaking their heads over the political situation, and the Phalang Tham Party's remaining in the coalition government and the Prachakon Thai Party's announcement to leave the government are for their own political gains. The people, the editorial concludes, are waiting to see how Banhan will resolve the problems.

#### **Thai Minister Says 'Constructive Engagement' Toward Burma To Continue**

BK0506051396 Bangkok THAILAND TIMES  
in English 5 Jun 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Bangkok — Foreign Affairs Minister Amnuai Wirawan for the first time had an audience with ministry officials yesterday and he wasted no time in giving the officials the ministry's new policy guidelines.

Amnuai said he would continue the programs initiated by former Foreign Affairs Minister Kasemsamoson Kasemsi and emphasized that he would give priority on working for the stability and security of the region.

A specific policy to deal with countries having economic, social and defense cooperation with Thailand will be formulated, said Amnuai in a press conference after paying his respects to the statue of the "Father of Thai Diplomacy" at the foreign ministry.

Amnuai pointed out that information management is an important component in carrying out the ministry's work and the ministry should develop this skill.

With regard to Thailand's policy of constructive engagement towards Burma, Amnuai said the country will continue to adhere to this policy adding that Thailand wants to see Burma's active participation in the Association of Southeast Asian Nations (ASEAN).

However, he said the ASEAN countries' policy of constructive engagement towards Burma must reflect its objectives.

Asked whether he would appoint Kasemsamoson to be his consultant, Amnuai denied having said so. He added that it is improper to say he will appoint Kasem as his consultant since he has never spoken to Kasemsamoson about the matter.

However, he said Kasemsamoson is a veteran diplomat, and thus he probably would seek Kasemsamoson's advice once in a while.

#### **Thailand: Lao Foreign Minister Seeks Solution to Border Disputes**

BK0406042996 Bangkok THE NATION in English  
4 Jun 96 p A6

[Unattributed report]

[FBIS Transcribed Text] In an effort to bring a quick settlement to pending boundary disputes, Laos will propose that a permanent body be set up to handle such

problems between it and Thailand, Lao Foreign Minister Somsavat Lengsavai said.

Somsavat said he will discuss the issue with Deputy Prime Minister and Foreign Minister Amnuai Wirawan when they meet on Friday to preside over the opening of Laos' first consular office in Khon Kaen province. Somsavat is currently in Kuala Lumpur for two days of meetings with his Malaysian counterpart. He will arrive back in Bangkok on Wednesday and go straight to Khon Khaen. In an interview with THE NATION in Bangkok on Sunday, Somsavat said Laos has completed its border demarcation talks with most Mekong neighbours — China, Burma and Vietnam — which leaves Thailand and Cambodia.

The minister said those talks were brought to a quick and agreeable end because there was a permanent mechanism set up to carry out the task. "To settle problems quickly, there must be a permanent body to work continuously," he said.

Somsavat, who was appointed by Lao President Nouhak Phoumsavan last year to handle boundary disputes with Thailand, said he would propose that foreign ministers of both countries, whoever they are, become permanent figures in handling boundary disputes. Both countries already agreed last November during the fifth meeting of the Thai-Lao Joint Commission in November to upgrade the status of boundary talks from deputy minister level to full minister status.

During a brief stop in Bangkok in February, Somsavat was informed by Prime Minister Banhan Sinlapa-acha that then-foreign minister Kasemsamoson Kasemsi was appointed as Thailand's representative.

"Since then there has been no discussion about how to kick off a new framework of boundary discussions," Somsavat said.

But Kasemsamoson's resignation last month cast doubt on who would replace him.

It was not clear whether the new framework would nullify previous boundary talks under the Thai-Lao boundary subcommittee, co-chaired by deputy foreign ministers of both countries. Somsavat said this matter would be discussed with the Thai side.

Pending boundary disputes, in particular over Ban Romklao, a scene of a brief and bloody war between the two countries in 1986 and 1987, will be discussed during Banhan's planned official visit to Laos later this month to strengthen bilateral ties.

Banhan will be the first foreign leader to visit Laos since it held its Sixth Party Congress in March, during which the communist party reaffirmed its decision

to more closely cooperate with its neighbours and further broaden its diplomatic ties with the international community.

Somsavat said he will discuss the preparations of Banhan's visit with Amnuai.

Somsavat said in jest that Amnuai would be the fourth Thai foreign minister he has met since 1993, when he took office. Amnuai's predecessors were Prasong Sunsiri, Krasae Chanawong, Thaksin Chinnawat and Kasemsamoson Kasemsi.

Meanwhile, Lao Consular General Kikeo Souvanaphoum yesterday presented a letter of commission to Deputy Foreign Minister Charat Phuachuai.

Kikeo said the consular office will be officially opened on June 7, but would not start full operations until the middle of the month.

He said visa fees will be Bt [baht] 300 and the office hours between 8am-5pm.

Kikeo said the use of border passes by Thai residents in provinces close to Laos would still be valid depending on the policies of individual provinces and its Laotian counterparts.

A Thai Consular Office in Savannakhet will be opened on June 12.

#### **Thailand: Amnuai Stresses Strengthening Economic Stability**

*BK0406070596 Bangkok Radio Thailand Network in English 0000 GMT 4 Jun 96*

[FBIS Transcribed Text] Deputy Prime Minister Amnuai Wirawan stresses his policy of strengthening economic stability rather than stimulating economic growth. Mr. Amnuai, who is in charge of economic affairs, says the government's economic policy will not change and he will screen major projects launched by the Ministry of Finance.

He is not opposed to Finance Minister Bodi Chunnanon's decision to use treasury reserves to pay external debt, but the matter has to be discussed first with Mr. Bodi. He says if the treasury reserves are high, the government can use them to strengthen economic stability but not for general purposes.

Mr. Amnuai says the Finance Minister's stated aim that he would like to see the economic expanding by 8-10 percent does not mean that he wants it to grow at 10 percent as reported.

Meanwhile, Finance Minister Bodi says the current political situation will not affect the country's economic

stability. However, he sees that the problem within the coalition partners may affect the investment atmosphere, but he believes that the government will soon find a solution to the problem.

**Thailand: Editorial Urges Curbing Economic Growth To Tackle Inflation**

BK0406132296 Bangkok *THAN SETTHAKIT* in Thai  
5-7 Jun 96 p 12

[Editorial: "Economic Growth Must Be Throttled"]

[FBIS Translated Text] New Finance Minister Bodi Chunnanon gave a formal statement about his tasks and responsibility as the key national economic officer. It is clear that his policies are not much different from his predecessor, Dr. Surakiat Sathianthai. He discussed his determination to tackle inflation, the current account deficit, and maintain effective fiscal and financial management in order to achieve national economic growth of 8-10 percent. Although his tasks appear formidable, what he said was nothing new and showed that the goal of the current government is misdirected.

The succession of military and civilian governments that came to power after Thailand began implementing its national economic and social development plan were very proud if they were able to show rosy economic growth figures. They would claim they accomplished great achievements if economic growth exceeded the targets. Their economic policies would emphasize growth figures, when in fact such excessive growth was not always beneficial to the country.

The Banhan government is no different. Former Finance Minister Surakiat and his successor Bodi declared frequently that they would fulfill the economic growth target, if not exceed it. While they made these claims, they also noted the government intention to rapidly solve the inflation and current account deficit problems. Maybe the current finance minister, who was a former Budget Bureau director, is pretending not to know that the inflation and current account deficit problems would worsen and would be made more difficult to solve if the economic growth target is 8-10 percent. Therefore, such contradictory targets could not possibly be fulfilled. If inflation and the current account deficit are to be effectively tackled, measures must be set to curb economic growth. If the economic growth target is to be met, the inflation and current account deficit situation will be difficult to correct.

The government should, therefore, choose one side or another. We feel that the major immediate problems facing the economic system are inflation and the current account deficit. They require immediate devoted action

by the government. In order to solve those problems, the government must be bold enough to announce that economic growth will be curbed to the appropriate level of 6-7 percent. It should be a target that is not that difficult to achieve.

**Thailand: Results of Bangkok Governor Election on PDP Decision Viewed**

BK0406124096 Bangkok *MATICHON* in Thai  
2 Jun 96 p 3

[Analysis: "Outcome of Bangkok Governor Election — Demise of Banhan III as Samak Deserts Leaking Ship"]

[FBIS Translated Excerpt] Prachakon Thai Party leader Samak Sunthorawet has tried to calm himself ever since the Phalang Tham Party announced that it was withdrawing from the coalition government, but he exploded when the new cabinet included Amnuai Yotsuk from the Nam Thai Party as deputy commerce minister and the Phalang Tham Party was brought back.

Samak felt he had helped to protect the government when his party voted for Suchat Tancharoen at the censure debate and has always defended Prime Minister Banhan Sinlapa-acha. [passage omitted]

The Prachakon Thai Party leader said that next week he would deliver his party's decision to withdraw from the coalition government to the prime minister, but would remain in the cabinet until 14 June in order not to affect the ceremonies on 9 June celebrating the 50th anniversary of the King's accession to the throne.

His reason for staying with the government for a while is understandable. The point is that withdrawing today will not affect the government stability in parliament — Prachakon Thai Party only has 18 MP's. A question is what is the rationale of waiting until 3 June to inform Banhan that it will be withdrawing seven days from then?

The answer is Prachakon Thai Party chose 9 June in order to wait for the outcome of the Bangkok governor election before making a major political decision. The outcome of the election will have considerable influence on the future of the Prachakon Thai Party and of Samak himself. The party knows that the announcement to withdraw from the government would not help the chances of the party's governor candidate over the Phalang Tham Party's candidate or Phichit Rattakun, who is running as an independent.

If the Phalang Tham Party candidate, Chamlong Simuang, wins, it would roughly show that the party still has the confidence of Bangkok voters. This means Banhan will have to embrace that party and its clean



image even more, thus making Samak's party increasingly more inferior to Phalang Tham Party — both in the government and in the eyes of Bangkok voters. The only way for the Prachakon Thai Party to restore confidence among Bangkok voters is to withdraw from the government and to join the opposition at nibbling at the government in order to score points in the eyes of fickle voters. There is no better time to desert the ship than when it is sinking.

In another angle, a loss by Chamlong to Phichit would indicate the decline of the Phalang Tham Party. The defeat would show that Bangkok voters could not accept the party's claim that its withdrawal from government was based on sincerity, not an attempt to glorify its image. It shows that the voters felt the Phalang Tham Party returned to join the cabinet because it feared a loss of political power. A repercussion of the defeat of Phalang Tham Party in the Bangkok governor election is that its bargaining power in the cabinet will dwindle. In the eyes of other coalition partners, the party is no longer the clean image that Banhan needs to have around. The prospect of Phalang Tham Party being bullied by other coalition partners will grow and eventually it may be forced to withdraw from the coalition government.

Let us not conclude, therefore, that the Prachakon Thai Party will withdraw from the government on 14 June as claimed. Before that date the party may list reasons to justify its continuation in the coalition government, because the defeat of Phalang Tham Party in the Bangkok governor election will put it in an advantageous situation. It will have many opportunities to use its rival's decline to revive the confidence of Bangkok voters in the party. The outcome of the governor election will be what ultimately influences Prachakon Thai Party's decision. [passage omitted]

#### **Thailand: Editorial Views PDP's Defeat in Governor's Race**

BK0506041196 Bangkok THE NATION in English  
5 Jun 96 p A4

[Editorial: "Phalang Tham Stands at a New Crossroad"]

[FBIS Transcribed Text] The defeat of Chamlong Simuang, former leader of the Phalang Tham Party (PDP), in the Bangkok gubernatorial race over the weekend closes the final chapter on an eventful political career. Chamlong's close identification with the party is likely to last a bit longer but the party MPs must now ponder deeply about their future.

Sunday was the moment of truth for the PDP.

After 11 years under PDP rule, the voters indicated they had had enough and chose an independent candidate. It

was time to try something new. It was a mature decision by a democratic community. The PDP tried all sorts of tricks and public relations exercises, even bringing national politics into play, but still failed to win the majority vote.

The outcome of Sunday's elections could be the beginning of the end of the PDP's influence in Bangkok. The party fought a losing battle trying to rehabilitate Bangkok. The problems of the city got worse rather than better. The traffic has reached crisis point, pollution is at levels dangerous to human life and growth continues in a haphazard unplanned way.

The PDP controlled both the Bangkok Metropolitan Administration and the ministerial positions responsible for the traffic during both the Chuan and Banhan governments but still made little progress. Its failure to make any headway during the two and a half years in the Chuan government was damaging for Bangkok and the party's national standing. If it was a party of the middle class — it disappointed them because it was unable to deliver.

To its credit, the PDP did bring some rare, if inconsistent, "political righteousness" to government. Its leading role in the May events of 1992 and the decision to abstain in the no-confidence vote on former deputy interior minister Suchat Tancharoen stand as testimony that it tried to be a lesser evil. But these were not all black and white issues. Chamlong's role in the 1992 bloodshed was criticised by many as evidence of the dictatorial side of his personality. And the fact that the PDP did not quit the coalition over the government's vote of confidence in Suchat shows a certain double standard.

Much of the party's strength came from Chamlong. But he was also the source of its inherent weakness. Chamlong is too whimsical in many of his actions. He was a hindrance to the PDP's efforts to become a party with a nationwide following. The PDP has had three leaders since it became a force in politics. But the last two were always seen as "agents" rather than real leaders. It was always Chamlong, the de facto leader.

With Chamlong's defeat, the public is closely watching what the PDP will do. It could become a fully-fledged capitalist party under the leadership of telecom tycoon Thaksin Chinnawat — whose "flexibility" has enabled the PDP to form alliances with parties once branded "devils" but whose sophisticated image has helped to maintain the party's Bangkok stronghold in the last general election. Or it could promote a more religious image especially if Chamlong chooses to go this way because his political career is over. Another option is to do its best and wait for voters to decide its future in

the next general election. The fight will be against the Democrat Party in the city. After all, more than 500,000 Bangkokians did vote for Chamlong on Sunday.

But in politics, all is relative. Chamlong is not the only one fading away. The era of political parties based on personalities like Chamlong and his rivals Prachakon Thai leader Samak Sunthorawet and Muanchon Party leader Chaloei Yubamrung, is drawing to a close.

The next general election in Bangkok will certainly be the most interesting ever. The voters are becoming more impatient with the slow progress of national politics and the double standards displayed by the political parties — even with the Democrat Party which is expected to score well in the next general election. The parties vying for seats in Bangkok will have to become more scientific in their strategies. Poll surveys have become an established tool. Phalang Tham has been the forefront user of modern political tactics — polls, the media and public relations. But the lesson learned from the weekend election is that the voters look for real performance and the ability to deliver on promises and solve problems — not marketing gimmicks that are used to sell consumer products.

#### **Thailand: 'Commentary' Views Chawalit's Challenge for Banhan's Seat**

BK0406110096 Bangkok LAK THAI in Thai 9 Jun 96  
pp 33, 34

[Commentary: "Beware of Chawalit Toppling Banhan's Throne"]

[FBIS Translated Text] Prime Minister Banhan Sinlapacha's good image, which he accumulated over the past nine months, disappeared totally when he obeyed his advisers by using the devious trick of closing the censure debate prematurely. If he could turn back the clock, Banhan would have allowed the debate on the night of 10 May to continue for even 10 more days. The extended censure debate by the opposition would not have harmed his popularity that seriously anyway. Banhan's image in the political arena has since declined, and the government has suffered a credibility crisis. The Chat Thai Party has since encountered a unity problem, with the Thoei Thai and Group of 16 factions rebelling against Banhan.

While Banhan is suffering a crisis of his own making, Deputy Prime Minister General Chawalit Yongchaiyut has gained a sudden political advantage over Banhan. Chawalit's New Aspiration Party (NAP) jumped at the political opportunity to propose a condition, which Banhan could not possibly have rejected, of voting for Deputy Interior Minister Suchat Tancharoen in exchange for a pledge from Banhan to remove Suchat

and Finance Minister Surakiat from their ministerial posts afterward. Banhan could not reject the NAP proposal because the confidence vote hinged on support from the NAP. Moreover, withdrawal of support by the NAP would instantly topple the government.

NAP support in parliament is more than its 57 MP's and also includes Nam Thai Party MP's, making a total of 75 votes. The Nam Thai Party under Amnuai Wirawan is de facto branch of the NAP.

Although the Chat Thai Party has 91 MP's, the rebellious Thoei Thai faction, consisting of 27 MP's, could not be counted on. This leaves Banhan's actual support at just 64 MP's, even less than Gen. Chawalit's 75. Therefore, Gen. Chawalit's political strength is superior to Banhan's, making it simple to demand the ouster of Finance Minister Surakiat.

Gen. Chawalit has played his political chess game coolly and cruelly, although he has not even openly challenged and toppled Banhan from his seat. Banhan's situation is so inferior to Chawalit's that it is not necessary for Chawalit to act out his ambition. Banhan's situation is now similar to a chicken in Chawalit's grip; a squeeze of the grip will kill the chicken. In short, the NAP's withdrawal from the coalition and its alliance with Democrat and Chat Phatthana Parties will doom Banhan's political future. Banhan could try to form an alliance with other parties, but the new alliance would not command enough MP's to achieve a majority in parliament.

Gen. Chawalit can now simply wait until Banhan arrives at his eventual political fate. In such a political situation, Banhan is prime minister in name only and must accept orders from Gen. Chawalit. When Banhan reaches a political dead end and his image is very tarnished, he will lose any chance of returning as prime minister. By that time, Gen. Chawalit will be the most prepared person in the political arena, with his power, influence, and backing from the wealthiest party.

Moreover, Narong Wongwan's Thoei Thai faction in the Chat Thai Party has pledged the support of its 27 MP's to the NAP.

The current political situation is developing in the direction that Chawalit has planned. In a few months, Banhan may reach a dead end and either resign or dissolve the parliament as result of NAP's maneuvering. Let us wait and see.

## Vietnam

### SRV President Meets Argentinian Foreign Minister

BK0406160296 Hanoi VNA in English  
1513 GMT 4 Jun 96

[FBIS Transcribed Text] Hanoi VNA June 4 — President Le Duc Anh told Argentinian Foreign Minister Guido Di Tella that he believed Vietnam and Argentina would make better use of their potential for stronger and more effective cooperation in economic, commercial, technological, scientific and cultural sectors on the basis of their existing friendship of mutual trust.

President Anh, who received the visiting Argentinian foreign minister in Hanoi this afternoon, also expressed his pleasure at the new step of development in the friendly and cooperative ties between the two countries. He asked Mr Tella to convey his thanks and best regards to the Argentinian president and invite him to visit Vietnam.

For his part, Foreign Minister Tella conveyed the invitation of the Argentinian president to President Le Duc Anh to pay an official Visit to Argentina.

Also this afternoon, Minister Tella called a press conference before his departure for Ho Chi Minh City, the last leg of his visit to Vietnam.

Speaking to local and foreign correspondents, Mr Tella said that the Argentinian Embassy will be opened in Hanoi by the end of this year and in 1997 there will be an exchange of visits by the heads of the two countries.

In regard to his visit, he said while here Argentinian business people had contacts with Vietnamese business men to discuss ways to promote their cooperation. He also expressed his satisfaction at the agreements signed on this occasion, which, he said, would lay a legal ground for cooperation and investment as well as closer contacts between business people of the two countries.

This morning, the visiting minister and his entourage paid tribute to the late President Ho Chi Minh at his mausoleum, and had working sessions with the ministries of agriculture and rural development and planning and investment and called at the Van Mieu, the Temple of Culture, in downtown Hanoi.

### SRV: Building, Growth of Institute of Cryptology Reviewed

962E0045 Hanoi QUAN DOI NHAN DAN  
in Vietnamese 11 Apr 96 p 2

[Article by Assistant Professor Hoang Van Tao, MA, deputy director of the Institute of Cryptology (actual name: Cryptological Techniques Institute): "Institute of

### Cryptology — Efforts To Move Forward, To Build the Institute To Achieve Growth in All Aspects"]

[FBIS Translated Text] The Institute of Cryptology (IC), which is subordinate to the Government's Cryptography Committee established on 15 April, is a unit in our country's college-level educational and training system and is responsible for training cadres and engineers specialized in ciphers and in making researches in the cryptological science and techniques and serving in Vietnam's cryptographic sector. We can say that from the starting stage of dealing with communications techniques, Vietnam's cryptographic sector has now come into contact with modern cryptological science and techniques. From the institute here, hundreds of valuable subjects of scientific research have been applied to the sector; thousands of cadres and engineers have graduated and gone to serve in the cryptographic networks of the party, administrations, army, ministries of Interior and Foreign Affairs, and so on, and have been contributing to ensuring secrecy of communications under any circumstances for our party and state leaders and commanders and gradually building the sector so as to turn it into a regular and modern one.

The birth of the IC was an objective necessity; it fulfilled its task in a difficult situation, particularly in regard to research cadres, teachers, curricula, teaching plans, and the material base for scientific training and research. Right after its establishment, in a spirit of self-sufficiency, with leadership and guidance from the superior echelons, it urgently began to build, to draft curricula and teaching plans, and to strengthen its ranks and to provide cadres and teachers with advanced training in order to make good preparations for scientific training and research. In the spirit of "all for the beloved students and for the goals, needs, and quality of training," the IC cadres and teachers have actively been sticking to schedules and classrooms, working closely with students so as to draw timely experiences, and ensuring that teaching closely follow curricula, schedules, and quality requirements. As of the end of the 1994-95 school year, the IC had taught 139 full classes and a total of 3,500 students, including 12 college classes, 8 specialized supplementary training classes, and 3 on-the-job college classes. Nearly 3,000 students had graduated and been assigned tasks in the nationwide cryptographic network. Among them many had been put in important positions at all levels in the cryptographic sector. In addition to the above-mentioned task, the IC had been fulfilling its international obligation by training people from a number of friendly countries and receiving highly praised evaluation of its work.

Scientific research was one of the IC's key tasks. Due to the characteristic secrecy required in the sector, its



scientific research had to follow strict rules to ensure secrecy. Therefore, the application of the scientific and technological progress made in the world and in the country and the joint operations and association with other scientific establishments were extremely restricted and required that our research cadres make great efforts and be self-sufficient and totally devoted to their assigned task. Like the training task, the research work done in the cryptological science and techniques could be said to have begun in an extremely difficult situation. Meanwhile, the sources of information we had been exploiting showed that the world's cryptological science and techniques had made considerably long steps forward. If we had been satisfied with the achievements we had made and had not moved beyond the communications techniques, we could not have been able to respond to the urgent needs of the new task. Having fully understood this spirit, the IC scientific researchers had been deeply concerned about creatively studying and seeking ways to carry out important scientific projects and contributing to speeding up the modernization of Vietnam's cryptological sector. As of 1995, the IC had made researches on 50 scientific subjects of committee and state levels and 123 scientific subjects of basic level. Almost all of these research subjects had followed exactly the contents of our plans, had been favorably evaluated and applied to our production realities, and had been further developed to be used in the entire sector and in the IC's educational and training task.

In order to successfully carry out the two key tasks of training and making scientific researches, the IC's party committee echelons and board of directors were paying special attention to building its potential and consolidating its staff. Hundreds of groups of cadres and teachers were sent to institutes and colleges in the country and abroad to study and to undergo training. The superior echelons and the institute itself also made appropriate investment in building its material base and reinforcing its technical equipment and machinery. Starting with simple tents and camps in Xuan Hoa, the institute has so far built nearly 10,000 square meters of buildings of various kinds, which include housing, workshops, auditoriums, laboratories, practice rooms, libraries, playgrounds, stadiums, and so on; provide nearly 1,000 cadres, teachers, workers, civil servants, and students with sufficient training and scientific research equipment and machinery to work, to study, to run experiments, to play, and to entertain themselves; and enable itself to properly fulfill its tasks. Other work, such as management and building organs, units, the party, and mass movement, has been done on a regular basis and shows more and more progress everyday. The IC's party organization has been a clean and strong one ever since it was established. The IC's Youth Union chapter has

been awarded for several consecutive years the Youth Union Central Committee's traveling banner.

With the above-mentioned achievements, the IC has received from the party and state five Military Exploit and Labor orders.

Building on 50 years of fine traditions of the Vietnamese cryptographic sector and 20 years of building and growth of the IC, and entering the new era of industrialization and modernization of the country, all the cadres, teachers, workers and civil servants, and students of the IC are making great efforts to move forward, to do their very best to promote its growth in all aspects, to contribute to building a regular and modern Vietnamese cryptographic sector, and to satisfy all the needs for ensuring secrecy of communications under any circumstances for our party's and state's leaders and commanders.

#### SRV: 'Key' Scientific, Technological Programs Approved

BK0506090696 Hanoi VNA in English  
0544 GMT 5 Jun 96

[FBIS Transcribed Text] Hanoi VNA June 4 — The Prime Minister Vo Van Kiet has approved key scientific and technological programmes and tasks in 1996-2000 period.

The list of the programmes includes: the electronic-information science-telecommunication programme the biological technology programme to serve sustainable development of agriculture, forestry, and fisheries and to protect the environment and people's health the material technology programme the automation technology programme the machinery manufacturing programme the sea research and survey programme the efficient use of natural resources and environment protection programme the comprehensive agriculture development and modernisation programme the strategy and policy building programme for sustainable energy development the transport and communication modernisation and industrialisation programme and the community health protection and improvement programme.

All the programmes have been worked out in furtherance to specific scientific and technological tasks for the five years to come, set out in another decision signed by the prime minister on the same day.

From now to the year 2000, Vietnam will concentrate on stepping up social sciences and humanities for national industrialisation and modernisation, developing a new vietnamese cultural identity, renovating key industrial technologies, and applying and developing advanced

technologies including information, biological, material, and automation technologies.

The country's goal is to strengthen its domestic technological and scientific capacity, considering it important factors in boosting production and creating momentum for its own technological development. Special attention will be given to developing electronics, information science, technology, telecommunications, new materials, and biological industries by applying high-tech achievements to practically speed up national economic growth rate and strengthen national defence and security.

**SRV: Table of Contents of Party Journal No. 2, Jan 96**

963E0015A Hanoi TAP CHI CONG SAN No. 2  
in Vietnamese No. 2, Jan 96 p 1

[FBIS Translated Text]

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**SRV: Table of Contents of Party Journal No. 3, Feb 96**

963E0016A Hanoi TAP CHI CONG SAN No.3  
in Vietnamese Feb 96 p 1

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## Australia

### Australia: Government Sets Conditions on Bailing Out Pacific Governments

LD0506085696 Melbourne Radio Australia  
in English 0700 GMT 5 Jun 96

[FBIS Transcribed Text] Australia says it will refuse to bail out South Pacific governments that follow big-spending policies. The parliamentary secretary for foreign affairs, Andrew Thomson, says island governments have to respond to Australia's tough decisions on government spending. Mr. Thomson says Australia will not tie foreign aid to fiscal performance in the South Pacific, but Canberra will refuse to rescue fiscal disasters.

[Begin Thomson recording] Tougher in the sense that, yes, what we are doing to ourselves is very tough and likewise we expect the same sort of fiscal rectitude from our neighbours. [end recording]

Mr. Thomson is taking part in a conference of Australia's top diplomats in the South Pacific, which concludes in Canberra today [5 June]. Yesterday Australia's foreign minister, Alexander Downer, said some South Pacific countries lacked a free enterprise spirit.

### Australia: Agreement Signed With Malaysia To Boost Trade

BK0506085696 Melbourne Radio Australia  
in English 0500 GMT 5 Jun 96

[FBIS Transcribed Text] Australia and Malaysia have signed an agreement to increase bilateral trade links across a broad range of sectors. The agreement signed in Canberra by both Australia and Malaysia's trade ministers, Tim Fischer and Rafidah Aziz, updates an existing agreement signed in 1958. The agreement will come into force in 1998 and provides for increased collaboration in industry, science, technology, and infrastructure developments. Both sides have also agreed to explore the prospects of further liberalization of their automotive and building sectors. Dato Rafidah says the agreement will strengthen business links between the two countries.

[Begin Aziz recording] There is really a vast potential out there for the Malaysian and Australian business community to exploit and they can do this most effectively by combining their success and the undertakings, collaborating in joint assets. [end recording]

### Australia: Minister Denies Claims of Supporting Burmese Regime

LD0506105796 Melbourne Radio Australia  
in English 0900 GMT 5 Jun 96

[FBIS Transcribed Text] Australia's deputy prime minister [and trade minister], Tim Fischer, has denied that he is supportive of Burma's military regime, the State Law and Order Restoration Council [SLORC]. Mr. Fischer said a claim that he supports the SLORC is contained in a television documentary by the Australian journalist John Pilger.

The trade minister said that last year [while still in opposition] he made his third visit to Burma and had a one-hour meeting with the democracy leader Aung San Suu Kyi.

[Begin Fischer recording] I must say it was a very wonderful experience to meet Aung San Suu Kyi. As it happens, I did not meet with any representative of SLORC during the course of that visit. I totally reject any statement by Mr. Pilger that I have supported SLORC. [end recording]

Mr. Fischer said that Australian Broadcasting Television [as heard] will broadcast the documentary on Burma today. He said that in the interests of accuracy and fairness the ABC [Australian Broadcasting Corporation] should broadcast a disclaimer at the end of the program about any misleading comments by Mr. Pilger.

### Australia: Editorial Praises Howard Government After First 100 Days

BK0506085596 Sydney THE AUSTRALIAN  
FINANCIAL REVIEW in English 5 Jun 96

[Editorial: "Howard's Good Start" — received via Internet]

[FBIS Transcribed Text] Arbitrary though it may be, the convention of assessing a new government after its first 100 days in office is a useful one. Not only does it provide an opportunity for the electorate to carry out a stocktake of the politicians it voted into power, and the extent to which promises have been honoured or broken, it also acts as a useful trigger for the Government to review its own performance.

In the case of Mr John Howard and the Government he formed following his March 2 federal election victory, the verdict is unquestionably positive. While there have been some notable hiccups — the performance of Sena... Amanda Vanstone as Minister for Education has been, decidedly unimpressive — the relative inexperience of Mr Howard's front bench has not resulted in the sort of major gaffes some had been expecting.

Similarly, although much of the talk, and virtually all of the Government's legislative proposals, are yet to deliver change of real substance, at least both the talk and the legislation are addressing the key issues. This is particularly true of the Workplace Relations Bill which, while more cautious than might have been hoped, marks an important new stage in the industrial-relations reform process.

The outstanding symbol of Mr Howard's success during the past three months is his strong stand on gun control. This is important both of itself — stemming any drift towards a US-style gun-toting mentality is crucial — and as a sign that Mr Howard is prepared to embrace the demands of leadership.

As Leader of the Opposition he usually gave the impression of being an excellent second-in-command, but not a leader. Now that he is Prime Minister, he has been able to use the mantle of that office to lift himself on to a higher political plane. On the evidence to date it looks like leading is something Mr Howard will do extremely well.

Of course, as with just about everything to date, his strong stand on guns is yet to produce real change. The test of whether he is able to deliver, rather than just talk, is still to come. Given the size of the recent pro-gun rallies, and the rifts already occurring in the National Party, the test is likely to be fairly stringent.

Equally tough will be the test imposed by the Senate and the insistence by the Australian Democrats that their tiny share of the popular vote gives them the right to block the elected Government's specific policy promises. This, unfortunately, is more about political grandstanding than about the Democrats honouring their own promise to "keep the bastards honest".

Yet the reality is that Mr Howard has to win over the Democrats if he is to translate his positive talk of the past three months into real achievement, whether in the specific areas of industrial relations and the partial privatisation of Telstra or in the much wider area of cutting the Federal Budget deficit.

To some extent winning through in the Senate will depend on private negotiations with the Democrats and other minor parties. To an even greater extent, however, it will depend on Mr Howard doing what he has to date failed to do — present and sell his overall policy vision to the wider Australian community. Only by doing this will he have the political muscle to give real backing to any eventual threat of a double dissolution — his ultimate weapon against a recalcitrant Senate.

Given the tough spending decisions that have been proposed, and which are essential in order to deliver

fiscal responsibility, Mr Howard and his senior ministers should be putting much more energy into explaining why these are needed. Glib references to the \$8 billion [Australian dollars] Budget black hole aren't going to carry the day.

This is particularly so given the way the Government has excluded defence from its proposed spending cuts. It is to be commended for recognising the importance of defence, especially given the fluidity of international relations in today's post-Cold War era. However, if it wants to adopt the somewhat provocative approach of exempting this policy area from even some symbolic trimming it should be doing a lot more to explain to Australians why this makes sense.

Nor should its communications efforts be focused solely on immediate concerns. Instead, a start should be made on preparing the ground for the tax reform that Australia so desperately needs and which should be a major priority for the Howard Government's second term.

#### **Australia: Article Reviews Howard Government**

*BK0506085896 Sydney THE AUSTRALIAN  
FINANCIAL REVIEW in English 5 Jun 96*

[Article by Steve Burrell: "Howard's 100 Days: The Report Card"]

[FBIS Transcribed Text] As the Howard Government approaches its 100th day in office next Monday, it remains an administration of great potential rather than proven performance.

It is still riding high in the opinion polls after its sweeping victory at the March 2 election.

The Prime Minister, Mr John Howard, has slipped easily into the role of national leadership, exercising power with the ease and decisiveness of a man with years in the job.

The Government as a whole has been competent, avoiding serious mistakes and belying Labor's claims that it was not up to the job.

It has also quickly introduced bills on a number of key reforms, most notably on industrial relations.

But despite a sweeping agenda and a powerful mandate, the Government has few actual policy achievements to show for its time in office.

Two key elements of its economic platform — the partial sale of Telstra and the industrial relations reforms — are in limbo in a hostile Senate.

The Government has rejected the chance to bring down an early economic statement, and its first concrete

moves on reducing spending must wait until the Budget on August 20.

Meanwhile, the confirmation of a target of \$8 billion [Australian dollars] in spending cuts, combined with a flurry of leaks, public-sector sackings and ill-considered comments from some ministers, have brought a host of powerful interest groups to the barricades.

Other key elements of the Government's economic reform agenda are either yet to be spelled out or are trapped in the Senate.

Only on national gun laws has the Government been able to put a fully articulated, major policy initiative into place.

### Three months of mixed messages

So far, the Howard administration has been enigmatic, strangely lacking in form or style.

Three months after its sweeping election win, John Howard's new regime is a Government of both potential and contradiction. It promises significant reform — most obviously in the areas of Government finances, industrial relations rules and the sale of Telstra — but has yet to prove it can win the necessary parliamentary support for its programme.

### Australia: Article Views Companies' Overseas Expansion

BK0506090096 Sydney THE SYDNEY MORNING HERALD in English 5 Jun 96

[Article by Ross Gittins: "Riches To Reap From Foreign Affairs" — received via Internet; dollar figures in Australian dollars]

[FBIS Transcribed Text] There seems no end to the things we worry about on the economic front. Many of us are uneasy about all the foreign investment coming into Australia, for instance, but we don't like to see Australian firms setting up business overseas, either.

In this age of globalisation, we have a picture of our manufacturers shifting their operations abroad to take advantage of the cheap labour of Asia and we worry about "exporting jobs".

It's certainly true that there has been a surge in Australian direct investment abroad in the past decade. It began in the mid-'80s with financial deregulation and the removal of exchange controls, grew dramatically, fell away during the recession, but now has built up again. In June 1994, about 750 Australian firms had direct investments in overseas businesses worth a total of \$48 billion.

So, is this one of the reasons unemployment's so high? I doubt it. When you examine the details, you find they don't fit our impressions of what's going on.

For one thing, almost all the growth has been in investment in developed, English-speaking countries. Almost 40 per cent of our investment has gone to Britain, more than 20 per cent to the United States, 15 per cent to New Zealand and 5 per cent to Papua New Guinea. Asia accounts for only 10 per cent.

And when you look at the industries we've invested in, that doesn't fit our stereotype, either. More than half our direct investment abroad is in service industries and a sixth is in mining, leaving just a third in manufacturing.

What's more, of our investment in manufacturing, well over half is in the "paper products and publishing" industry (read Rupert Murdoch's News Limited).

The question of the Implications for Australia of Firms Locating Offshore was investigated by the Industry Commission (IC) in a draft report published last week.

The IC finds — as various earlier studies have found — that our firms' overwhelming reason for locating offshore is a desire to expand their operations; they've become pot-bound in our small market, or they want to have a crack at overseas markets that are growing more quickly than ours.

So it's rarely a case of firms packing up their business in Australia and shifting it elsewhere. It's almost always a case of them keeping their business going in Australia, while buying or setting up a new business overseas.

The IC conducted a survey of 150 firms that had established offshore operations. Almost half said that action had no effect on the value of their production in Australia. More than a third said it led to an increase in their local production. And only 5 per cent said it had led to a large decrease in local production.

Why could it actually have increased their local production? Because they were exporting to their overseas subsidiary equipment or components or expert services (research and development or design, for instance).

But that raises an obvious question: why couldn't our firms just have stayed in Australia and exported to the foreign markets? Why did they have to locate themselves in those markets?

In some cases, because they didn't think they could penetrate those markets successfully by remote control. But, for the most part, because they're in the business of providing services that simply can't be exported.

Numbered among the firms in question are some of our big road transport companies, construction companies,



shopping-centre developers and retailers. Our Big Four banks have bought retail banking businesses in New Zealand, Britain, the US and Asia.

Even within manufacturing, there are some heavy-but-low-value products that can't be exported economically — building materials, for instance. Pioneer, Boral and CSR are in that game, and they've each established extensive offshore operations. Newspapers aren't all that easy to export, either.

Most of the businesses I've mentioned already have large shares of the Australian market. They could expand their market shares only by taking over other Australian firms, but (thankfully) the Trade Practices Act stops them. So they've expanded by setting up shop in other countries.

I mustn't give you the impression, however, that few of the firms that have located abroad are in the export business. Many are. And 56 per cent of the respondents to the IC's survey said that their investment abroad had led to an increase in the value of their exports — although 12 per cent said it had led to a small decrease.

It's also true that, though the desire for expansion constitutes the overwhelming reason for establishing offshore operations, it's not the only reason.

Some of our big mining companies — including BHP and CRA — have gone abroad in search of new sources of minerals. And some of our manufacturers have, indeed, gone off in search of cheaper labour.

But this factor is relevant only to the section of manufacturing producing labour-intensive goods, such as textiles, clothing and footwear.

Our impression that the phenomenon of Australian firms locating offshore is all about the search for cheaper labour is owed to a few highly publicised, but quite unrepresentative, cases of clothing manufacturers doing just that.

Pacific Dunlop, for instance, has shifted some of its production to China, and Mark One Apparel has done

the same thing in Fiji. But note this: the textile, clothing and footwear sector accounts for just 1.3 per cent of total Australian direct investment abroad.

But, you may ask, isn't all this investment abroad occurring at the expense of investment at home? I doubt it. For a start, let's look at the proportions. The amount all Australian firms invest directly abroad each year averages about 8 per cent of the amount they invest locally in new plant and structures.

And offshore and local investment move up and down together; it's not the case that when offshore investment goes up, local investment goes down.

Further, the IC's survey found that offshore investment was slightly more likely to lead the respondents to increase their local investment than decrease it.

It's a funny thing that the public has reverse standards for foreign investment, depending on whether it's coming in or going out.

With foreign investment coming into Australia, we take the extra jobs and local income generated for granted, and worry about all the profits that are going to foreigners. We convince ourselves that the profits lost far outweigh the benefits gained.

But when we think about foreign investment going out of Australia, we reverse the standard. We ignore the profits we earn and worry about the jobs we assume we've lost. We convince ourselves that the profits gained are piddling, whereas the jobs are a big deal.

Well, the profits we gained on our foreign direct investment in 1993-94 totalled almost \$3 billion — a modest return of about 6 per cent — and it's not at all clear that, overall, we lost any jobs on the deal. Probably the reverse.

No matter from which angle you examine it, it's more likely that the growing trend for our firms to expand abroad is yielding net benefits to our economy, not net costs.

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